

IN THE HOUSE OF REPRESENTATIVES

HOUSE BILL NO. 181

BY BUSINESS COMMITTEE

AN ACT

RELATING TO CREDIT UNIONS; AMENDING SECTION 26-2105, IDAHO CODE, TO PROVIDE FOR DELIVERY OF ARTICLES OF INCORPORATION TO THE SECRETARY OF STATE; AND DECLARING AN EMERGENCY AND PROVIDING AN EFFECTIVE DATE.

Be It Enacted by the Legislature of the State of Idaho:

SECTION 1. That Section 26-2105, Idaho Code, be, and the same is hereby amended to read as follows:

26-2105. ORGANIZATION. (1) Any seven (7) or more residents of the jurisdiction of the state of Idaho, of legal age, who have a common bond referred to in section 26-2110, Idaho Code, may organize a credit union and become charter members thereof by:

(a) Filing an application furnished by the director;

(b) Executing articles of incorporation by the terms of which they agree to be bound, which articles shall state:

(i) The name, which shall include the words "credit union" and that is not the same as the name of another existing credit union that is authorized to do business in Idaho;

(ii) The term of existence of the credit union, which shall be perpetual;

(iii) The par value of shares of the credit union, which shall be at least five dollars (\$5.00); and

(iv) The names and addresses of the subscribers to the articles of incorporation, and the number of shares subscribed by each;

(c) Adopting bylaws for the general government of the credit union, consistent with the provisions of this chapter; and

(d) Forwarding the required application fee, articles of incorporation, and the bylaws to the director. If they conform to the statute, he shall endorse the articles of incorporation and return two (2) copies of the endorsed articles of incorporation and two (2) copies of the bylaws to the applicants of the credit union, ~~one (1) copy of which is to be for the credit union's permanent files and the other copy to be filed with the county recorder's office in the county in which the principal place of business is located and with the department of finance. The credit union shall deliver one (1) copy of the endorsed articles of incorporation, together with any required filing fee, to the secretary of state for filing. One (1) original copy of the articles of incorporation and bylaws shall be delivered to and retained by the department of finance.~~ If the director approves or endorses the articles of incorporation, he will issue three (3) charters in original. The director shall have the authority to investigate the application for charter to determine whether the proposed credit union does meet the objectives of this chapter. The determination for the approval of the application for

1 charter shall be under such rules and regulations as shall be adopted
2 by the director. These rules and regulations shall give account to the
3 number of potential members, their stability of employment or member-
4 ship in the group comprising the common bond of membership, and the eco-
5 nomic characteristics of the proposed common bond. If, in the opinion
6 of the director, the proposed credit union does not meet these objec-
7 tives, the charter application shall be denied.

8 (2) The subscribers for a credit union charter shall not transact any
9 business until formal approval of the charter has been received. In order to
10 simplify the organization of credit unions, the director shall cause to be
11 prepared a form of articles of incorporation and a form of bylaws, consis-
12 tent with this chapter, which shall be used by credit union incorporators for
13 their guidance.

14 (3) The articles of incorporation filed in the department of finance
15 shall be available for inspection and a copy may be provided upon payment of
16 an appropriate fee.

17 SECTION 2. An emergency existing therefor, which emergency is hereby
18 declared to exist, this act shall be in full force and effect on and after
19 July 1, 2025.