

IN THE SENATE

SENATE BILL NO. 1301

BY COMMERCE AND HUMAN RESOURCES COMMITTEE

AN ACT

1 RELATING TO THE IDAHO CREDIT UNION ACT; AMENDING SECTION 26-2104, IDAHO
2 CODE, TO REVISE DEFINITIONS; AMENDING SECTION 26-2105, IDAHO CODE,
3 TO REVISE PROVISIONS REGARDING THE ORGANIZATION OF A CREDIT UNION;
4 AMENDING SECTION 26-2106, IDAHO CODE, TO REVISE A PROVISION REGARD-
5 ING THE AMENDMENT OF BYLAWS; AMENDING SECTION 26-2108, IDAHO CODE, TO
6 REVISE A PROVISION REGARDING THE POWERS OF A CREDIT UNION; AMENDING
7 SECTION 26-2110, IDAHO CODE, TO REVISE PROVISIONS REGARDING CREDIT
8 UNION MEMBERSHIP; REPEALING SECTION 26-2112, IDAHO CODE, RELATING TO
9 THE CREDIT UNION FISCAL YEAR; AMENDING SECTION 26-2127, IDAHO CODE, TO
10 REVISE PROVISIONS REGARDING THE INVESTMENT OF FUNDS; AMENDING SECTION
11 26-2145, IDAHO CODE, TO REVISE PROVISIONS REGARDING THE AUTHORITY TO
12 EXERCISE FEDERAL POWERS; REPEALING SECTION 26-2146, IDAHO CODE, RELAT-
13 ING TO INVESTMENT IN SERVICE CORPORATIONS; REPEALING SECTION 26-2147,
14 IDAHO CODE, RELATING TO CREDIT UNIONS JOINTLY HOLDING STOCK; REPEAL-
15 ING SECTION 26-2148, IDAHO CODE, RELATING TO THE DUTY OF CREDIT UNION
16 SERVICE CORPORATIONS NOT TO DISCRIMINATE; REPEALING SECTION 26-2149,
17 IDAHO CODE, RELATING TO PROHIBITED ACTIVITIES BY CREDIT UNION SERVICE
18 CORPORATIONS; REPEALING SECTION 26-2150, IDAHO CODE, RELATING TO CUS-
19 TOMER-CREDIT UNION COMMUNICATION TERMINALS; AMENDING SECTION 26-2185,
20 IDAHO CODE, TO REMOVE A PROVISION REGARDING THE CREDIT UNION FISCAL
21 YEAR; AND DECLARING AN EMERGENCY AND PROVIDING AN EFFECTIVE DATE.
22

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

24 SECTION 1. That Section 26-2104, Idaho Code, be, and the same is hereby
25 amended to read as follows:

26 26-2104. DEFINITION AND USE OF TERMS. As used in this chapter, unless
27 the context otherwise requires:

28 ~~(a) (1) "Credit union" means a cooperative nonprofit corporation char-~~
29 ~~tered under the provisions of this chapter.~~

30 ~~(b) "Capital" means the shares of a credit union.~~

31 ~~(c) (2) "Director" means the director of the department of finance of~~
32 ~~the state of Idaho.~~

33 (3) "Electronic service facility" means an electronic device that is
34 operated by a credit union and that can be used to conduct transactions or
35 obtain services offered by the credit union.

36 ~~(d) (4) "Federal supervisory agency" means the National Credit Union~~
37 ~~Administration national credit union administration.~~

38 ~~(e) "Credit union services" means services such as draft and deposit~~
39 ~~sorting and posting, computation and posting of interest and other credits~~
40 ~~and charges, preparation and mailing of drafts, statements, notices, and~~
41 ~~similar items, or any other clerical, bookkeeping, accounting, statistical,~~
42 ~~or similar functions performed for a credit union.~~

1 ~~(f) "Credit union service corporation" means a corporation organized~~
2 ~~to perform credit union services for two (2) or more credit unions, each of~~
3 ~~which owns part of the capital stock of such corporations, and which are sub-~~
4 ~~ject to examination by either the department of finance of the state of Idaho~~
5 ~~or a federal supervisory agency.~~

6 (5) "Financial institution" means any institution the deposits of
7 which are insured by the federal deposit insurance corporation, any federal
8 credit union, and any credit union chartered under the laws of this state or
9 another state.

10 (6) "Immediate family member" means a spouse, parent, grandparent,
11 child, grandchild, sibling, stepparent, stepchild, stepsibling, step
12 grandparent, or grandchild, including adoptive relationships and persons
13 who are in a relationship in the same residence maintaining a single economic
14 unit.

15 ~~(g) (7) "Interstate credit union" means a credit union chartered under~~
16 ~~the provisions of this chapter or under the authority of the laws of another~~
17 ~~state and operating both in Idaho and in one (1) or more other states.~~

18 ~~(h) "Invest" means any advance of funds to a credit union service corpo-~~
19 ~~ration, whether by the purchase of stock, the making of a loan, or otherwise,~~
20 ~~except a payment for rent earned, goods sold and delivered, or services ren-~~
21 ~~dered prior to the making of such payment.~~

22 (8) "Net worth" means the total of the following:

23 (a) The retained earnings balance of the credit union as determined in
24 accordance with United States generally accepted accounting princi-
25 ples;

26 (b) If the credit union has acquired another credit union in a mutual
27 combination, the retained earnings balance of the acquired credit
28 union, or of an integrated set of activities and assets, less any
29 bargain purchase gain recognized in either case to the extent the dif-
30 ference between the two is greater than zero, determined at the time of
31 acquisition in accordance with United States generally accepted ac-
32 counting principles;

33 (c) For a low-income designated credit union, the outstanding princi-
34 pal amount of any subordinated debt treated as regulatory capital in ac-
35 cordance with 12 CFR 702, and the amount of any secondary capital that
36 is treated as regulatory capital in accordance with 12 CFR 702, in each
37 case that is uninsured and subordinate to all other claims against the
38 credit union, including the claims of creditors, shareholders, and the
39 credit union's share insurer; and

40 (d) Loans to and accounts in a credit union to the extent that such loans
41 and accounts:

42 (i) Have a remaining maturity of more than five (5) years;

43 (ii) Are subordinate to all other claims, including those of
44 shareholders, creditors, and the credit union's share insurer;

45 (iii) Are not pledged as security on a loan to, or other obligation
46 of, any party;

47 (iv) Are not insured by a share insurer;

48 (v) Have non-cumulative dividends;

49 (vi) Are transferable; and

- 1 (vii) Are available to cover operating losses realized by the
 2 credit union that exceed its available earnings.
- 3 (9) "Reserves" includes all regular reserves and special reserves des-
 4 ignated by a credit union pursuant to section 26-2129, Idaho Code.
- 5 (10) "Risk assets" means all of a credit union's assets except:
- 6 (a) Cash;
- 7 (b) Loans to the extent secured by shares or deposits in the credit
 8 union;
- 9 (c) Obligations of the United States government, federal reserve bank
 10 stock, and national credit union administration central liquidity fa-
 11 ility stock;
- 12 (d) Obligations described in 12 CFR 702.104 (c) (2) (i) (B) (3);
- 13 (e) Insured balances on deposit with federally insured credit unions or
 14 federally insured banks;
- 15 (f) Covered loans issued under the United States small business admin-
 16 istration paycheck protection program; and
- 17 (g) The portion of loans subject to guaranty by the United States or an
 18 agency thereof, or by any state or an agency thereof.
- 19 ~~(i) (11) "Surplus funds" means those funds which that are not needed to~~
 20 ~~meet a credit union's members' loan needs and credit union expenses.~~
- 21 ~~(j) (12) "Unsafe or unsound practice" means any action or lack of action~~
 22 ~~that is contrary to the generally accepted standards of prudent operation,~~
 23 ~~the likely consequences of which, if continued, would be abnormal risk of~~
 24 ~~loss or danger to a credit union, its members, or an organization insuring or~~
 25 ~~guaranteeing its shares and deposits.~~
- 26 ~~(k) "Electronic service facility" means an electronic device that is~~
 27 ~~operated by a credit union and that can be used to conduct transactions or~~
 28 ~~obtain services offered by the credit union.~~

29 SECTION 2. That Section 26-2105, Idaho Code, be, and the same is hereby
 30 amended to read as follows:

- 31 26-2105. ORGANIZATION. (1) Any seven (7) or more residents of the ju-
 32 risdiction of the state of Idaho, of legal age, who have a common bond re-
 33 ferred to in section 26-2110, Idaho Code, may organize a credit union and be-
 34 come charter members thereof by:
- 35 (a) Filing an application furnished by the director;
- 36 (b) Executing ~~in triplicate,~~ articles of incorporation by the terms of
 37 which they agree to be bound, which articles shall state:
- 38 ~~(1) (i) The name, which shall include the words "credit union"~~
 39 ~~and which must clearly indicate the common bond from which members~~
 40 ~~will be taken and which is not the same name as that of any other~~
 41 ~~existing credit union. A credit union may, however, do business in~~
 42 ~~a name which includes only the initials of its name as it appears~~
 43 ~~in its articles of incorporation and the words "credit union," and~~
 44 ~~the city wherein the proposed credit union is to have its principal~~
 45 ~~place of business; and that is not the same as the name of another~~
 46 ~~existing credit union that is authorized to do business in Idaho;~~
- 47 ~~(2) (ii) The term of existence of the credit union, which shall be~~
 48 ~~perpetual;~~

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

3 ~~(4)~~ (iv) The names and addresses of the subscribers to the ar-
4 ticles of incorporation, and the number of shares subscribed by
5 each;

6 (c) Adopting bylaws for the general government of the credit union,
7 consistent with the provisions of this chapter ~~and executing the same in~~
8 triplicate; and

9 (d) Forwarding the required application fee, articles of incorpora-
10 tion, and the bylaws to the director. If they conform to the statute, he
11 shall endorse the articles of incorporation and return two (2) copies of
12 the endorsed articles of incorporation and two (2) copies of the bylaws
13 to the applicants of the credit union, one (1) copy of which is to be for
14 the credit union's permanent files and the other copy to be filed with
15 the county recorder's office in the county in which the principal place
16 of business is located and with the department of finance. The origi-
17 nal copy of the articles of incorporation and bylaws shall be retained
18 by the department of finance. If the director approves or endorses the
19 articles of incorporation, he will issue three (3) charters in origi-
20 nal. The director shall have the authority to investigate the appli-
21 cation for charter to determine whether the proposed credit union does
22 meet the objectives of this chapter. The determination for the approval
23 of the application for charter shall be under such rules and regulations
24 as shall be adopted by the director. These rules and regulations shall
25 give account to the number of potential members, their stability of em-
26 ployment or membership in the group comprising the common bond of mem-
27 bership, and the economic characteristics of the proposed common bond.
28 If, in the opinion of the director, the proposed credit union does not
29 meet these objectives, the charter application shall be denied.

30 ~~(e)~~ (2) The subscribers for a credit union charter shall not transact
31 any business until formal approval of the charter has been received. In or-
32 der to simplify the organization of credit unions, the director shall cause
33 to be prepared a form of articles of incorporation and a form of bylaws, con-
34 sistent with this chapter, which shall be used by credit union incorporators
35 for their guidance.

36 ~~(f)~~ (3) The articles of incorporation filed in the department of fi-
37 nance shall be available for inspection and a copy may be provided upon pay-
38 ment of an appropriate fee.

39 SECTION 3. That Section 26-2106, Idaho Code, be, and the same is hereby
40 amended to read as follows:

41 26-2106. AMENDMENT TO ARTICLES OF INCORPORATION AND BYLAWS -- AP-
42 PROVAL OF DIRECTOR -- PROCEDURE. (1) A credit union's articles of incor-
43 poration may be amended as provided in the articles of incorporation with
44 approval of the director. Amendments to the articles of incorporation must
45 be submitted to the director for approval. Amendments to the articles of
46 incorporation are deemed to be approved by the director if the director
47 does not deny them within thirty (30) days following receipt of the proposed
48 amendments. Amendments to a credit union's articles of incorporation must
49 conform with section 26-2105, Idaho Code.

1 (2) Upon approval by the director, the credit union shall promptly de-
 2 liver amendments to the articles of incorporation, including any necessary
 3 filing fees, to the secretary of state for filing. Amendments to the arti-
 4 cles of incorporation are effective upon approval by the director unless the
 5 amendments specify a different effective date.

6 (3) A credit union's bylaws may be amended as provided in the bylaws.
 7 A copy of any amendments to the bylaws must be mailed by certified mail re-
 8 turn receipt requested to the department of finance or emailed to the depart-
 9 ment of finance with request for confirmation of receipt within twenty (20)
 10 days after the adoption thereof. In either case, delivery is effective as of
 11 the date of the department's confirmation of receipt. Amendments to the by-
 12 laws become effective ~~on~~ upon approval by the director unless the amendments
 13 specify a different date. Amendments to the bylaws are deemed to be approved
 14 by the director if the director does not deny them within thirty (30) days
 15 following receipt of the amendments.

16 SECTION 4. That Section 26-2108, Idaho Code, be, and the same is hereby
 17 amended to read as follows:

18 26-2108. POWERS. A credit union shall have power to:
 19 (1) Make contracts;
 20 (2) Sue and be sued in the name of the credit union;
 21 (3) Own, hold, or use any real or personal property or any interest
 22 therein that is necessary or incidental to the credit union's operations,
 23 subject to the provisions of this chapter;
 24 (4) Require the payment of an entrance or membership fee of any appli-
 25 cant admitted to membership;
 26 (5) Receive from its members payments on shares and deposits of any
 27 type;
 28 (6) Pay dividends or interest on shares and deposits as provided for in
 29 this chapter;
 30 (7) Make loans to its members in accordance with this chapter and pur-
 31 chase or otherwise acquire, in whole or in part, obligations of its members.
 32 A credit union may only purchase or otherwise acquire obligations of its mem-
 33 bers that it could enter into directly with the members;
 34 (8) Charge interest and other fees on loans, impose fees and charges
 35 in connection with the accounts and services provided to members, including
 36 fees for failure to meet obligations to the credit union, and recover costs,
 37 including attorney's fees and court costs, incurred in collecting amounts
 38 owed to the credit union, subject to other applicable law;
 39 (9) Borrow money in an aggregate amount not to exceed fifty percent
 40 (50%) of its members' shares and deposits, plus undivided earnings;
 41 (10) Deposit funds in federally insured banks and savings and loan com-
 42 panies and in state or federal credit unions and otherwise invest funds as
 43 provided in this chapter;
 44 (11) Lease tangible personal property to its members;
 45 (12) Hold membership in other state or federally chartered credit
 46 unions and in trade or other associations related to the credit union's busi-
 47 ness;

1 (13) Receive funds as shares or deposits from a state or federal credit
2 union, bank, savings bank, savings and loan association, or any other type of
3 depository institution;

4 (14) Receive deposits from the federal government, a state, or any po-
5 litical subdivision of the federal government or a state, or a corporation or
6 other entity established by either;

7 (15) Establish and operate electronic service facilities to provide
8 services in accordance with this chapter. An electronic service facility
9 that is not operated by personnel on the premises at which the electronic
10 service facility is located is not a branch office for the purposes of sec-
11 tion 26-2143, Idaho Code. At least annually, a credit union that operates
12 one (1) or more electronic service facilities shall provide the director
13 with a report listing any electronic service facilities that it has put into
14 service or taken out of service since the last such report;

15 (16) Make charitable contributions that are reasonable in amounts in
16 relation to the credit union's financial circumstances;

17 (17) Indemnify its directors, supervisory committee members, officers,
18 employees, and others in accordance with provisions in its bylaws that are
19 consistent with the Idaho business corporation act;

20 (18) Provide financial counseling services to its members, including
21 but not limited to investment counseling or advice and debt counseling;

22 (19) Act as an insurance producer, employ insurance producers, or enter
23 into other arrangements with insurance producers to offer any type of insur-
24 ance to members in accordance with the Idaho insurance code;

25 (20) Join, make deposits in or loans to, or purchase shares of any fed-
26 eral reserve bank, federal home loan bank, or central liquidity facility es-
27 tablished under federal or state law;

28 (21) Receive funds as shares or deposits from a deferred compensation
29 plan or other retirement plan that serves any of the credit union's members
30 or potential members;

31 (22) Sell, pledge, discount, or otherwise dispose of, in whole or in
32 part, obligations of its members and service obligations of which it has dis-
33 posed;

34 (23) Offer tax return preparation and filing services for its members;

35 (24) Enter into joint marketing, networking, or referral arrangements
36 to facilitate members' purchases of goods and services from third parties.
37 Such arrangements may include compensation to the credit union, subject to
38 applicable law;

39 (25) Guarantee the signature of a member in connection with a transac-
40 tion that involves tangible or intangible property in which a member has or
41 seeks to acquire an interest;

42 (26) Perform any of the following services for any person in an under-
43 served area, as designated in 12 CFR 1026.35(b)(2)(iv)(B), that does not
44 have an established relationship with a financial institution or for any
45 person in any area if the credit union has been designated as a low-income
46 credit union as that term is defined in 12 CFR 701.34:

47 (a) Cashing and selling checks, drafts, or money orders;

48 (b) Purchasing and selling foreign currencies in exchange for United
49 States currency;

50 (c) Wire transfers; and

1 (d) Financial counseling services;

2 (27) Sell all or part of its assets, purchase all or part of the assets
3 and assume all or part of the liabilities of another credit union, out-of-
4 state credit union, or federal credit union, subject to the approval of the
5 director; and

6 (28) Exercise such incidental powers as are necessary or convenient to
7 enable the credit union to conduct the business of a credit union or to other-
8 wise fulfill the purposes for which it was organized, in accordance with this
9 chapter.

10 SECTION 5. That Section 26-2110, Idaho Code, be, and the same is hereby
11 amended to read as follows:

12 26-2110. MEMBERSHIP. ~~(a)~~ (1) The membership of a credit union shall be
13 limited to and consist of the subscribers to the articles of incorporation
14 and such other persons having the common bond set forth in the articles of in-
15 corporation as have been duly admitted members, have paid the entrance fee,
16 if any, as provided in the bylaws, have subscribed and paid for one (1) or
17 more shares, and have complied with such other requirements as the articles
18 of incorporation or bylaws may specify.

19 ~~(b)~~ (2) Credit union organizations shall be limited to groups having
20 a common bond of occupation or association, or to residents within a well-
21 defined neighborhood, community, or rural district, employees of a common
22 employer, or members of a bona fide fraternal, religious, cooperative, la-
23 bor, rural, educational, or similar organization and members of the immedi-
24 ate family of such persons.

25 ~~(c)~~ (3) ~~Societies and associations~~ Organizations composed entirely of
26 individuals who are within the field of membership of the credit union, or
27 that have a physical presence within the neighborhood, community, or rural
28 district served by the credit union, may be admitted to membership in the
29 same manner and under the same conditions as individuals.

30 ~~(d)~~ (4) An individual who leaves the field of membership may be per-
31 mitted to retain his membership in the credit union at the discretion of the
32 board and as provided in the bylaws.

33 ~~(e)~~ (5) An employer, including the state and its political subdivi-
34 sions, may become a member of a credit union, of which its employee is a
35 member, only for the purpose of placing shares or deposits in the credit
36 union pursuant to an employee deferred compensation plan qualified under
37 chapter 400 of the Internal Revenue Code of 1954, as amended, or other re-
38 tirement plans set out in section 26-2151, Idaho Code.

39 ~~(f)~~ (6) Credit unions may become members of other Idaho credit unions.

40 (7) A credit union may add to its membership persons who reside in or
41 work in a geographic area that the director determines is underserved.

42 SECTION 6. That Section 26-2112, Idaho Code, be, and the same is hereby
43 repealed.

44 SECTION 7. That Section 26-2127, Idaho Code, be, and the same is hereby
45 amended to read as follows:

1 26-2127. INVESTMENT OF FUNDS. (1) A credit union's board of directors
2 must establish a written investment policy consistent with this chapter and
3 other applicable laws and regulations.

4 (2) A credit union may invest its funds in any of the following, as long
5 as the investments are deemed prudent by the board:

6 (a) (i) Loans held by credit unions, out-of-state credit unions,
7 or federal credit unions; and

8 (ii) Loans to members held by other lenders, with approval of the
9 director;

10 (b) Bonds, securities, or other investments that are fully guaranteed
11 as to principal and interest by the United States government;

12 (c) General obligations of this state and its political subdivisions;

13 (d) Obligations issued by corporations designated under 31 U.S.C.
14 9101, or obligations, participations, or other instruments issued
15 and guaranteed by the federal housing administration, veterans admin-
16 istration, federal home loan mortgage corporation, federal national
17 mortgage association, or federal home loan mortgage corporation/fed-
18 eral national mortgage association, or other government-sponsored
19 enterprise;

20 (e) Share or deposit accounts of other financial institutions, the ac-
21 counts of which are federally insured or insured or guaranteed by an-
22 other insurer or guarantor approved by the director. The shares and de-
23 posits made by a credit union under this subsection may exceed the in-
24 surance or guarantee limits established by the organization insuring
25 or guaranteeing the institution into which the shares or deposits are
26 made;

27 (f) Common trust or mutual funds whose investment portfolios consist of
28 securities issued or guaranteed by the federal government or an agency
29 of the government;

30 (g) Shares or other interests offered by a registered investment com-
31 pany or collective investment fund, if the company or fund restricts the
32 investment portfolio to investments and investment transactions that
33 are permissible for credit unions, as evidenced by its prospectus or
34 other appropriate documentation;

35 (h) Debt or equity issued by an organization owned by a credit union
36 trade association whose members include Idaho credit unions, in an ag-
37 gregate amount not to exceed one percent (1%) of the net worth of the
38 credit union;

39 (i) Stocks, shares, membership units, or other ownership interests in
40 corporations, limited liability companies, or mutual associations, ~~in~~
41 ~~an aggregate amount not to exceed one percent (1%) of assets,~~ and loans
42 to such organizations in an aggregate amount not to exceed ~~one percent~~
43 ~~(1%) of assets if:~~ thirty-five percent (35%) of the credit union's net
44 worth or two and one-half percent (2.5%) of the credit union's assets,
45 whichever is less. Investments and loans to any one (1) organiza-
46 tion are limited to ten percent (10%) of the credit union's net worth.
47 The principal purpose of the investment must be to enhance the credit
48 union's operations or the products and services it makes available to
49 members. Investments and loans authorized pursuant to this paragraph
50 must satisfy one (1) of the following criteria:

1 (i) The ownership of such organizations or membership of such mu-
 2 tual associations, as applicable, is primarily confined to credit
 3 unions or organizations of credit unions; and

4 ~~(ii) The purposes for which the corporation, limited liability~~
 5 ~~company, or mutual association is formed are~~ The organizations are
 6 formed primarily to service credit unions or their members or oth-
 7 erwise to assist credit union operations-; or

8 (iii) The organization is engaged in, planning, or developing
 9 activity that is incidental to or complementary to the credit
 10 union's operations and the investment is approved by the director.
 11 Activity is incidental or complementary to the credit union's
 12 operations if it would be performed for or provided to the credit
 13 union, or if it would be performed for or provided to the credit
 14 union's members in relation to products, services, or activity
 15 that the credit union performs for or provides to its members. The
 16 investment shall be made for the purpose of aiding the credit union
 17 in achieving its business, operational, or service objectives and
 18 shall not be made for speculative investment purposes.

19 (3) A credit union may not invest in any of the following:

20 (a) A federal depository institution or state depository institution
 21 as those terms are defined in the federal deposit insurance act, 12
 22 U.S.C. 1813; or

23 (b) A bank holding company or savings bank holding company as those
 24 terms are defined in the federal bank holding company act, 12 U.S.C.
 25 1841.

26 ~~(3)~~ (4) The director may authorize credit unions to purchase invest-
 27 ments not listed above by rule or upon written application.

28 ~~(4)~~ (5) If a credit union has lawfully made an investment that later be-
 29 comes impermissible because of a change in circumstances or law, and the di-
 30 rector finds that this investment will have an adverse effect on the safety
 31 and soundness of the credit union, then the director may require that the
 32 credit union develop a reasonable plan for the divestiture of the invest-
 33 ment.

34 ~~(5)~~ (6) A credit union other than a corporate credit union shall not in-
 35 vest an amount that exceeds twenty-five percent (25%) of its net worth in an
 36 obligor or affiliate of the obligor. This subsection does not apply to the
 37 extent that the investment is insured or guaranteed by the United States gov-
 38 ernment or an agency of the United States government or a state or local gov-
 39 ernment or that the investment is in a corporate credit union.

40 ~~(6)~~ (7) A credit union shall maintain files containing credit and other
 41 information adequate to demonstrate evidence of prudent business judgment
 42 in exercising the investment powers granted under this act or by rule, order,
 43 or declaratory ruling of the director.

44 SECTION 8. That Section 26-2145, Idaho Code, be, and the same is hereby
 45 amended to read as follows:

46 26-2145. AUTHORITY TO EXERCISE FEDERAL POWERS. ~~(a)~~ (1) Notwithstand-
 47 ing any other provision of law, but subject to the limitations provided for
 48 in this section, a credit union may engage in any activity ~~in which~~ that it
 49 could engage in, exercise any power it could exercise, or make any loan or

1 investment ~~which~~ that it could make if it were operating as a federal credit
2 union, or a credit union chartered by another state.

3 ~~(b)~~ (2) Before engaging in any activity or exercising any power af-
4 forded under this section, a credit union shall first notify the director of
5 its intent to do so. This notice shall be sent to the director by U.S. United
6 States mail, postage prepaid, certified or registered, with return receipt
7 requested, or via email to the director with confirmation of receipt. In
8 either case, delivery is effective as of the date of the department's confir-
9 mation of receipt. Should the director take no action on the request within
10 twenty (20) days of delivery to the director, the right to engage in the ac-
11 tion or power so requested shall be deemed granted.

12 ~~(e)~~ (3) Should the director deny the request, the affected credit union
13 shall have the right to request a hearing before the director, which hearing
14 shall be held within thirty (30) days of the date of the denial.

15 ~~(d)~~ (4) The director shall have the discretion to deny any request ~~which~~
16 that is inconsistent with the purposes of this chapter.

17 ~~(e)~~ (5) No such approval shall operate to deny the director of any of his
18 authority under this chapter and such permitted activity shall be subject to
19 regulation by the director.

20 SECTION 9. That Section [26-2146](#), Idaho Code, be, and the same is hereby
21 repealed.

22 SECTION 10. That Section [26-2147](#), Idaho Code, be, and the same is hereby
23 repealed.

24 SECTION 11. That Section [26-2148](#), Idaho Code, be, and the same is hereby
25 repealed.

26 SECTION 12. That Section [26-2149](#), Idaho Code, be, and the same is hereby
27 repealed.

28 SECTION 13. That Section [26-2150](#), Idaho Code, be, and the same is hereby
29 repealed.

30 SECTION 14. That Section 26-2185, Idaho Code, be, and the same is hereby
31 amended to read as follows:

32 26-2185. APPLICABLE PROVISIONS OF THE IDAHO CREDIT UNION ACT. The fol-
33 lowing provisions of the Idaho credit union act shall apply to the Idaho cor-
34 porate credit union:

- 35 (a) Share reduction, section 26-2131, Idaho Code.
- 36 (b) Reports, section 26-2133, Idaho Code.
- 37 (c) Books and records, section 26-2135, Idaho Code.
- 38 (d) Examinations, section 26-2136A, Idaho Code.
- 39 (e) False reports, section 26-2137, Idaho Code.
- 40 (f) Cease and desist orders, suspension, and liquidation, section
- 41 26-2140, Idaho Code.
- 42 (g) Administration, rules and regulations, section 26-2144, Idaho
- 43 Code.
- 44 ~~(h) Fiscal year, section 26-2112, Idaho Code.~~

1 ~~(i)~~ (h) Penalties for official misconduct, section 26-2117, Idaho
2 Code.

3 SECTION 15. An emergency existing therefor, which emergency is hereby
4 declared to exist, this act shall be in full force and effect on and after
5 July 1, 2024.