

MICROFILM DIVIDER

OMB/RECORDS MANAGEMENT DIVISION

SFN 2053 (2/85) 5M



ROLL NUMBER

DESCRIPTION

2065

2001 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2065

2001 SENATE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. 2065

Senate Industry, Business and Labor Committee

Conference Committee

Hearing Date January 15, 2001

Tape Number	Side A	Side B	Meter #
1		X	13.7 to 26.2
Committee Clerk Signature <i>David Perez</i>			

Minutes:

The committee was called to order. Roll call was taken: all members present. The hearing was opened on SB2065 relating to access to corporate central credit union records.

GARY D.PRESZLER, Commissioner, Department of Banking and Financial Institutions, in support of the bill. Written testimony attached.

SEN. ESPEGARD: It will cost the ND taxpayers money to get information from that federally chartered credit union. Why did you put that in?

GARY D.PRESZLER: The department does not get any money from the general fund so the taxpayer's money is not there. We are fully self-supporting, all credit unions will pay assessments to cover costs of supervision. It was put in because the same language is found in the banking statutes

SEN. MUTCH: Can you audit a federally chartered credit union?

G. PRESZLER: Yes, when they are trying to convert to a state charter or if they are going to be merged into a state charter.

DOUGLAS WOLF, President Midwest Corporate Federal Credit Union, formerly ND Central Credit Union, favor the bill as proposed. We would follow the requirements of the federal regulators as to when we can release records.

SEN. MUTCH: What are the advantages to change from central state chartered credit union to federally chartered?

D. WOLF: Under NCUA regulations in order for us to accept deposits from a federally insured credit union we had to agree that we would meet regulations even though they had no jurisdiction to be able to serve additional credit unions outside of ND. We were left with two choices: change to a federal charter (operations don't change) or get the statute changed. Federal charter route was more convenient.

BUELL REICH: President, ND Credit Union League, support the bill.

SENATOR ESPEGARD moved a DO PASS. SENATOR MATHERN seconded. Roll call vote carried 7-0-0. SENATOR MATHERN will carry the bill.

Date: January 15, 2001
Roll Call Vote 1

2001 SENATE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2065

Senate Senate Industry, Business and Labor Committee

Subcommittee on _____
or
 Conference Committee

Legislative Council Amendment Number _____

Action Taken Do Pass

Motion Made By Sen Espgaard Seconded By Sen Mathern

Senators	Yes	No	Senators	Yes	No
Senator Mutch - Chairman	✓		Senator Every	✓	
Senator Klein - Vice Chairman	✓		Senator Mathern	✓	
Senator Espgaard	✓				
Senator Krebsbach	✓				
Senator Tollefson	✓				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Sen D Mathern

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
January 15, 2001 1:24 p.m.

Module No: SR-05-0981
Carrier: D. Mathern
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2065: Industry, Business and Labor Committee (Sen. Mutch, Chairman) recommends DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2065 was placed on the Eleventh order on the calendar.

2001 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2065

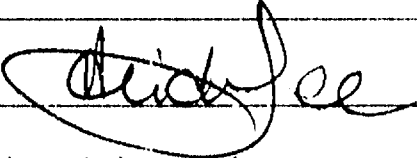
2001 HOUSE STANDING COMMITTEE MINUTES

BILL/RESOLUTION NO. SB 2065

House Industry, Business and Labor Committee

Conference Committee

Hearing Date Feb. 13, 2001

Tape Number	Side A	Side B	Meter #
1		X	39.2-48.9
Committee Clerk Signature 			

Minutes: Chairman R. Berg, Vice-Chair G. Keiser, Rep. M. Ekstrom, Rep. R. Froelich, Rep. G. Froseth, Rep. R. Jensen, Rep. N. Johnson, Rep. J. Kasper, Rep. M. Klein, Rep. Koppang, Rep. D. Lemieux, Rep. B. Pietsch, Rep. D. Ruby, Rep. D. Severson, Rep. E. Thorpe.

Gary Preszler: Dept. of Financial Inst. **Written testimony** sponsoring bill.

Rep Keiser: Why not put fees in to the administrative code?

Preszler: We just copied this section for the banking laws.

Douglas Wolf: This is the only institution not current with the bill so I support it.

Rep Keiser: I move a do pass.

Rep M. Klein: I second.

13 yea, 0 nay, 2 absent Carrier Rep Pietsch

Date: 2-13-01
Roll Call Vote #: 1

2001 HOUSE STANDING COMMITTEE ROLL CALL VOTES
BILL/RESOLUTION NO. SB 2065

House Industry, Business and Labor Committee

Legislative Council Amendment Number _____

Action Taken Do pass

Motion Made By Keiser Seconded By Klein

Representatives	Yes	No	Representatives	Yes	No
Chairman- Rick Berg	✓		Rep. Jim Kasper	✓	
Vice-Chairman George Keiser	✓		Rep. Matthew M. Klein	✓	
Rep. Mary Ekstorm	✓		Rep. Myron Koppang	✓	
Rep. Rod Froelich			Rep. Doug Lemieux		
Rep. Glen Froseth	✓		Rep. Bill Pietsch	✓	
Rep. Roxanne Jensen	✓		Rep. Dan Ruby	✓	
Rep. Nancy Johnson	✓		Rep. Dale C. Severson	✓	
			Rep. Elwood Thorpe	✓	

Total (Yes) 13 No 0

Absent 2

Floor Assignment Rep Pietsch

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE (410)
February 13, 2001 12:41 p.m.

Module No: HR-26-3183
Carrier: Pletsch
Insert LC: . Title: .

REPORT OF STANDING COMMITTEE

SB 2065: Industry, Business and Labor Committee (Rep. Berg, Chairman) recommends DO PASS (13 YEAS, 0 NAYS, 2 ABSENT AND NOT VOTING). SB 2065 was placed on the Eleventh order on the calendar.

2001 TESTIMONY

SB 2065

TESTIMONY FOR SENATE BILL NO. 2065

Senate Industry, Business, and Labor Committee

Testimony of Gary D. Preszler, Commissioner, Department of Banking and Financial Institutions in support of Senate Bill No. 2065.

The Department of Banking and Financial Institutions is charged with examination and supervision responsibility for 94 state-chartered banks and 42 state-chartered credit unions, along with licensing responsibilities for collection agencies, money brokers, small loan companies, and sale of check providers. In addition, the Department has examination responsibility for the Bank of North Dakota.

Senate Bill No. 2065 allows the Commissioner to access records from a North Dakota federally chartered corporate credit union when the Commissioner determines the information is needed for an examination of a state-chartered credit union. A corporate credit union is essentially a credit union's credit union. A corporate credit union provides clearinghouse services facilitating the transfer of funds between credit unions, and will serve as a liquidity or investment vehicle for North Dakota state-chartered credit unions. All North Dakota credit unions except one are members of North Dakota Midwest Corporate Federal Credit Union.

North Dakota Central Credit Union converted from a state-chartered corporate to a federally chartered corporate credit union effective January 2, 2001. The Department had examination responsibility for North Dakota Central Credit Union when it was state-chartered. Consequently, the Department was able to access records of Corporate when conducting examinations of state-chartered credit unions that were members of Corporate. Since conversion to a federal charter, the Department no longer has examination responsibilities over Corporate and due to the clearinghouse services provided by Corporate it may be necessary to trace the movement of funds when conducting an examination of a state-chartered credit union.

The NCUA Office of Corporate Credit Unions has reviewed the proposed legislation and provided a letter stating that state law cannot require a federally chartered institution to release records, but recommended that the Department also seek consent from the state-chartered credit unions to allow the access of information. Once consent is granted Senate Bill No. 2065 merely provides the ability to obtain the information without having to issue a subpoena under state law for the information.

The Department stands in support of Senate Bill No. 2065 and requests a favorable "Do Pass" from the Committee.

2-13-01

TESTIMONY FOR SENATE BILL NO. 2065

House Industry, Business, and Labor Committee

Testimony of Gary D. Preszler, Commissioner, Department of Banking and Financial Institutions in support of Senate Bill No. 2065.

Senate Bill No. 2065 allows the Commissioner to access records from a North Dakota federally chartered corporate credit union when the Commissioner determines the information is needed for an examination of a state-chartered credit union. A corporate credit union is essentially a credit union's credit union. A corporate credit union provides clearinghouse services facilitating the transfer of funds between credit unions, and will serve as a liquidity or investment vehicle for North Dakota state-chartered credit unions. All North Dakota credit unions, except one, are members of North Dakota Midwest Corporate Federal Credit Union.

North Dakota Central Credit Union converted from a state-chartered corporate to a federally chartered corporate credit union effective January 2, 2001. The Department had examination responsibility for North Dakota Central Credit Union when it was state-chartered. Consequently, the Department was able to access records of Corporate when conducting examinations of state-chartered credit unions that were members of Corporate. Since conversion to a federal charter, the Department no longer has examination responsibilities over Corporate

and due to the clearinghouse services provided by Corporate it may be necessary to trace the movement of funds when conducting an examination of a state-chartered credit union.

The NCUA Office of Corporate Credit Unions has reviewed the proposed legislation and provided a letter stating that state law cannot require a federally chartered institution to release records, but recommended that the Department also seek consent from the state-chartered credit unions to allow the access of information. The NCUA Associate General Counsel further stated that, "[w]e have no objection to a federally-chartered corporate voluntarily releasing information or records about a member's transactions if the member consents." Once consent is granted Senate Bill No. 2065 merely provides the ability to obtain the information without having to issue a subpoena under state law for the information.

The Department stands in support of Senate Bill No. 2065 and requests a favorable "Do Pass" from the Committee.