

Johnson
Lamberti
Gronstal

SSB-3163
Commerce

Succeeded By
SENATE FILE HF 2436
BY (PROPOSED COMMITTEE ON
COMMERCE BILL BY
CHAIRPERSON JENSEN)

Passed Senate, Date _____ Passed House, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the services provided by a credit union
2 service organization.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. NEW SECTION. 533.50 CREDIT UNION SERVICE
2 ORGANIZATION -- SERVICES.

3 An organization, corporation, or association, the
4 membership or ownership of which is primarily confined or
5 restricted to credit unions or organizations of credit unions,
6 and which primarily provides services to credit unions,
7 organizations of credit unions, or credit union members, may
8 provide trust services and act in a fiduciary capacity as
9 approved by, and pursuant to rules adopted by, the
10 superintendent. The organization, corporation, or association
11 is subject to the state corporate income tax.

12 EXPLANATION

13 This bill provides that an organization, corporation, or
14 association, the membership or ownership of which is primarily
15 confined or restricted to credit unions or organizations of
16 credit unions, and which primarily provides services to credit
17 unions, organizations of credit unions, or credit union
18 members, may provide trust services and act in a fiduciary
19 capacity as approved by, and pursuant to rules adopted by, the
20 superintendent. The bill provides that such organization,
21 corporation, or association is subject to the state corporate
22 income tax.

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4/6/00 *ways and means*

REPRINTED
4.5-00

FILED MAR 28 '00
2436

SENATE FILE
BY COMMITTEE ON WAYS AND MEANS

(SUCCESSOR TO SF 2337)
(SUCCESSOR TO SSB 3163)

Passed Senate, ^(p.1025) Date 4/5/00 Passed House, Date _____
Vote: Ayes 30 Nays 20 Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the services provided by a credit union
2 service organization.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

SENATE FILE 2436

S-5324

1 Amend Senate File 2436 as follows:
2 1. Page 1, line 10, by inserting after the word
3 "association" the following: ", and each credit union
4 that is an owner, or a member of an organization of
5 credit unions that is an owner, of such an
6 organization, corporation, or association,".

By JOHN W. JENSEN E. THURMAN GASKILL
TOM FLYNN O. GENE MADDOX
JOHN JUDGE BETTY A. SOUKUP

0/0 4-5-00 (p.1024)

S-5324 FILED APRIL 3, 2000

SENATE FILE 2436

S-5332

1 Amend Senate File 2436 as follows:
2 1. Page 1, line 11, by inserting after the word
3 "tax." the following: "This section only applies to
4 trust services offered by credit union service
5 organizations."

Adopted 4/5/00 (p.1024) By JOANN JOHNSON

S-5332 FILED APRIL 4, 2000

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SF 2436

1 Section 1. NEW SECTION. 533.50 CREDIT UNION SERVICE
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22 income tax.

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REVISED

SENATE FILE 2436
FISCAL NOTE

A fiscal note for Senate File 2436 (revised) is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 2436 provides that credit union service organizations may provide trust services. The Bill also requires for-profit subsidiaries of credit unions to be subject to the State corporate income tax.

ASSUMPTIONS

1. Audits would be required for the trust services.
2. Based on audit expenses in the Department of Commerce, Banking Division, the cost would be \$75,000 to \$98,000 for one Trust Examiner.
3. The Credit Union Division is required, by Code, to adjust fees to cover the examination cost.
4. For-profit subsidiaries of credit unions will be subject to the State corporate income tax.

FISCAL IMPACT

Senate File 2436 is expected to increase State corporate income tax revenue to the General Fund; however, due to insufficient information, an estimate cannot be determined. The fiscal impact of adding one Trust Examiner to the Credit Union Division would cost between \$75,000 and \$98,000 annually. However, the Credit Union Division is required, by Code, to adjust fees to cover the cost of examinations, resulting in no impact to the General Fund.

SOURCE

Department of Commerce

(LSB 5928SZ.2, CRS)

FILED APRIL 5, 2000

BY DENNIS PROUTY, FISCAL DIRECTOR

**SENATE FILE 2436
FISCAL NOTE**

A fiscal note for Senate File 2436 is hereby submitted pursuant to Joint Rule 17. Data used in developing this fiscal note is available from the Legislative Fiscal Bureau to members of the Legislature upon request.

Senate File 2436 provides that credit union service organizations may provide trust services. The Bill also requires these organizations, corporations, or associations to be subject to the State corporate income tax.

ASSUMPTIONS

1. Audits would be required for the trust services.
2. Based on audit expenses in the Department of Commerce, Banking Division, the cost would be \$75,000 to \$98,000 for one Trust Examiner.
3. The Credit Union Division is required, by Code, to adjust fees to cover the examination cost.
4. Credit union organizations with a for-profit subsidiary will be subject to the State corporate income tax.

FISCAL IMPACT

Senate File 2436 is expected to increase State corporate income tax revenue to the General Fund; however, due to insufficient information, an estimate cannot be determined. The fiscal impact of adding one Trust Examiner to the Credit Union Division would cost between \$75,000 and \$98,000 annually. However, the Credit Union Division is required, by Code, to adjust fees to cover the cost of examinations, resulting in no impact to the General Fund.

SOURCE

Department of Commerce

(LSB 5928SZ, CRS)

FILED APRIL 5, 2000

BY DENNIS PROUTY, FISCAL DIRECTOR

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