

MAR 5 2003
COMMERCE, REGULATION & LABOR

HOUSE FILE 442
BY FORD

Passed House, Date 4/17/03 Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to trust 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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HF 442

1 Section 1. NEW SECTION. 533.50 CREDIT UNION SERVICE
2 ORGANIZATION -- TRUST 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 A credit union may participate in or receive trust services
13 from a service organization under this section, only if the
14 credit union has a policy of making cash or in-kind
15 contributions to local nonprofit groups or community
16 development projects which serve the needs of the community
17 and various population groups within the community in which
18 the credit union is located. The superintendent shall adopt
19 rules to administer this section.

20 This section only applies to trust services offered by
21 credit union service organizations.

22 EXPLANATION

23 This bill provides that an organization, corporation, or
24 association, the membership or ownership of which is primarily
25 confined or restricted to credit unions or organizations of
26 credit unions, and which primarily provides services to credit
27 unions, organizations of credit unions, or credit union
28 members, may provide trust services and act in a fiduciary
29 capacity as approved by, and pursuant to rules adopted by, the
30 superintendent. The bill provides that such organization,
31 corporation, or association is subject to the state corporate
32 income tax.

33 The bill further provides that a credit union may
34 participate in or receive trust services from a service
35 organization only if the credit union has a policy of making

1 cash or in-kind contributions to local nonprofit groups or
2 community development projects which serve the community and
3 various population groups within the community in which the
4 credit union is located.

5 The bill only applies to trust services offered by credit
6 union service organizations.

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