

House Study Bill 106 - Introduced

SENATE/HOUSE FILE _____
BY (PROPOSED DEPARTMENT OF
COMMERCE/CREDIT UNION
DIVISION BILL)

A BILL FOR

1 An Act relating to procedural requirements for the merger of
2 state credit unions.

3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 533.401, Code 2019, is amended by adding
2 the following new subsection:

3 NEW SUBSECTION. 1A. Prior to the sending of notice of
4 balloting for the membership vote on a merger, a merging credit
5 union shall submit to the superintendent all materials to
6 be included in the notice at least fifteen days before the
7 notice is sent to the members. The superintendent shall review
8 and approve the materials to be included in the notice at
9 least ten days before the notice is sent to the members. The
10 superintendent may direct any materials to be included in the
11 notice of balloting sent to members.

12 Sec. 2. Section 533.401, subsection 3, Code 2019, is amended
13 by adding the following new paragraph:

14 NEW PARAGRAPH. *0a.* All materials included in the notice of
15 balloting for the membership vote on the merger were reviewed
16 and approved by the superintendent pursuant to subsection 1A.

17 EXPLANATION

18 The inclusion of this explanation does not constitute agreement with
19 the explanation's substance by the members of the general assembly.

20 Current law provides that a state credit union may merge
21 with another credit union if the merger is pursuant to a plan
22 agreed upon by a majority of the board of directors of each
23 credit union joining in the merger and the merger is approved
24 by a majority vote of the members of the merging credit union.
25 A merging credit union must provide notice of balloting for
26 the vote to the members of the merging credit union entitled
27 to vote on the merger at least 20 days prior to the scheduled
28 vote.

29 This bill provides that prior to the sending of notice of
30 balloting for the membership vote on a merger, a merging credit
31 union shall submit to the superintendent of credit unions
32 all materials included in the notice at least 15 days before
33 the notice is sent to the members. The superintendent shall
34 review and approve the materials to be included in the notice
35 at least 10 days before the notice is sent to the members. The

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1 superintendent may direct any materials to be included in the
2 notice. The bill provides that the superintendent must review
3 and approve all materials included in the notice as provided in
4 the bill, along with other procedural requirements set forth in
5 Code section 533.401(3), in order to approve a merger.