

COMMITTEE ON BANKING AND INSURANCE

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2156

(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Section 6-588, Arizona Revised Statutes, is amended to
3 read:

4 6-588. Conversion of credit union

5 A. A credit union incorporated under the laws of this state may be
6 converted to a credit union organized under the laws of the United States, or
7 it may be converted to a credit union organized under the laws of another
8 state if the principal office has relocated to another state or jurisdiction,
9 in the following manner:

10 1. On recommendations of the board of directors, the members of a
11 credit union incorporated under the laws of this state, by an affirmative
12 majority vote of all members voting in a meeting called for that purpose or
13 by written ballot filed within fifteen days, may resolve to convert the
14 credit union into a federal credit union or a credit union organized under
15 the laws of another state.

16 2. Within twenty days after the meeting at which the members determine
17 to so convert, the credit union shall file with the superintendent a
18 certificate verified by the affidavit of the president or the chairman and
19 the secretary of the credit union. The certificate shall contain a copy of
20 the minutes of the meeting and a statement that the members have approved the
21 determination to convert the credit union into a federal credit union or a
22 credit union organized under the laws of another state.

23 3. The filing of the certificate required in paragraph 2 of this
24 subsection with the superintendent is presumptive proof or evidence of the
25 holding of the meeting and the action taken.

26 4. After the meeting of the members, the credit union shall take such
27 action as is necessary under the federal law or the state law to which it is
28 converting as a credit union. It shall also liquidate in a manner approved

1 by the superintendent any assets or liabilities which are not by reason of
2 law capable of being transferred to the converted credit union. Within ten
3 days after the receipt of the new charter or certificate of incorporation,
4 the credit union shall file with the superintendent and the corporation
5 commission a copy of the instrument. On this filing, the credit union ceases
6 to be a credit union incorporated under the laws of this state and is
7 converted to one under its new jurisdiction.

8 5. At the time the conversion becomes effective, the credit union
9 ceases to be supervised by this state and all of the property of the credit
10 union, including all of its right, title and interest in and to all property
11 of every kind and character, immediately by operation of law and without any
12 conveyance or transfer and without any further act or deed is vested in the
13 converted credit union under its new name and structure and under its new
14 jurisdiction.

15 6. The converted credit union shall have, hold and enjoy the property
16 prescribed in paragraph 5 of this subsection in its own right as fully and to
17 the same extent as the property was possessed, held and enjoyed by it as a
18 credit union under the laws of this state. The converted credit union
19 continues to be responsible for all of the obligations of the former credit
20 union to the same extent as though the conversion had not taken place. The
21 converted credit union is merely a continuation of the former credit union
22 under a new name and new jurisdiction and the revision of its corporate
23 structure as is necessary for its proper operation under the new
24 jurisdiction.

25 B. A credit union organized under the laws of the United States or of
26 any other state may convert to a credit union incorporated under the laws of
27 this state in the following manner:

28 1. To effect such a conversion a credit union shall first comply with
29 all of the requirements of the jurisdiction under which it is organized and
30 file proof of the compliance with the superintendent.

31 2. The converting credit union through its proper officers and
32 officials shall sign and acknowledge in quintuplicate a certificate of

1 organization as required in sections 6-506 and 6-507 in which they bind
2 themselves to comply with the requirements of the certificate and with all
3 the laws and rules applicable to a state credit union. The application for a
4 certificate of organization in quintuplicate, the bylaws in duplicate and the
5 required charter fee and examination assessment shall be submitted to the
6 superintendent who shall make or cause to be made an appropriate
7 investigation for the purpose of determining the advisability of such a
8 conversion. On receipt of the superintendent's certificate of organization
9 in quadruplicate, with the certificate of approval, the applicants shall file
10 the certificate of approval attached in quadruplicate with the corporation
11 commission and record a certified copy of the filing under the seal of the
12 commission with the county recorder of the county or counties in which the
13 credit union is to do business. On proof of the recording, the corporation
14 commission shall issue a certificate of incorporation to the credit
15 union. The credit union shall forward a certified copy of the certificate of
16 organization showing the filing and recording to the superintendent. The
17 credit union shall also file with the corporation commission the appointment
18 of an agent on whom service of process may be made.

19 3. Within ten days after the receipt of the certified copy of the
20 certificate of incorporation by the credit union, the credit union shall file
21 two certified copies of the certificate with its present supervisory agency
22 and a copy of the transmittal letter with the superintendent.

23 4. On filing the certified copy of the certificate of organization
24 with the superintendent, the converting credit union ceases to be a credit
25 union under its former jurisdiction and is a credit union under the laws of
26 this state. All of the property of the credit union, including all of its
27 right, title and interest in and to all property of every kind and character,
28 immediately, by operation of law and without any conveyance or transfer and
29 without any further act or deed, is vested in the credit union under its new
30 name and style as a state credit union and under its new jurisdiction.

31 5. The converted credit union shall have, hold and enjoy the property
32 prescribed in paragraph 4 of this subsection in its own right as fully and to

1 the same extent as the property was possessed, held and enjoyed by it as a
2 credit union under its former jurisdiction and the converted credit union
3 continues to be responsible for all of the obligations of the former credit
4 union to the same extent as though conversion had not taken place. The
5 converted credit union is merely a continuation of the former credit union
6 under a new name and new jurisdiction and the revision of its corporate
7 structure as is considered necessary for its proper operation under the new
8 jurisdiction.

9 C. A CREDIT UNION INCORPORATED UNDER THE LAWS OF THIS STATE MAY BE
10 CONVERTED INTO AN ASSOCIATION, AS DEFINED IN SECTION 6-401, THAT IS
11 INCORPORATED UNDER THE LAWS OF THIS STATE OR OF THE UNITED STATES IF THE
12 CREDIT UNION COMPLIES WITH BOTH OF THE FOLLOWING:

13 1. THE PROVISIONS ESTABLISHED BY THE NATIONAL CREDIT UNION
14 ADMINISTRATION AS PRESCRIBED BY 12 CODE OF FEDERAL REGULATIONS PART 708a.

15 2. ANY RULES THAT THE SUPERINTENDENT ADOPTS TO IMPLEMENT THIS
16 SUBSECTION."

17 Amend title to conform

and, as so amended, it do pass

NANCY McLAIN
Chairman

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