

SESSION OF 2007

SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2114

As Recommended by House Committee on
Insurance and Financial Institutions

Brief*

HB 2114 would amend a law that allows for investment in a credit union services organization (CUSO) to provide that in addition to capital stock corporations (existing law), credit union services organizations could be structured as limited liability companies and limited partnerships. Credit unions would be permitted to make loans to CUSOs, subject to rules and regulations of the state Credit Union Administrator.

Background

HB 2114 was requested by the Kansas Department of Credit Unions whose representative indicated that the change proposed by the bill reflects current credit union industry practice, as many CUSOs usually are owned by multiple state chartered and federal chartered credit unions and are structured as limited liability companies. The bill was supported by the Kansas Credit Union Association.

The fiscal note prepared by the Division of the Budget indicates that the bill would have no fiscal effect.

*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>