

SENATE BILL NO. 489

INTRODUCED BY M. NOLAND

A BILL FOR AN ACT ENTITLED: "AN ACT PROHIBITING A CREDIT UNION FROM ACQUIRING A BANK, A BANK'S ASSETS, OR A BANK'S LIABILITIES; AND AMENDING SECTION 32-3-401, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 32-3-401, MCA, is amended to read:

"32-3-401. General powers. A credit union may:

- (1) make contracts as provided for in this chapter;
- (2) sue and be sued;
- (3) adopt and use a common seal and alter the seal;
- (4) acquire, lease, hold, and dispose of property, either in whole or in part, necessary or incidental to its operations; However, nothing in this subsection (4) permits a credit union to acquire a bank, a bank's assets, a bank's liabilities, or any other aspect of a bank or a bank's business.
- (5) at the discretion of the board of directors, require the payment of an entrance fee or annual membership fee, or both, of any person admitted to membership;
- (6) receive savings from its members in the form of shares or special-purpose thrift accounts;
- (7) lend its funds to its members as provided in this chapter;
- (8) borrow from any source up to 50% of total assets, after deduction of the notes payable account;
- (9) discount and sell any eligible obligations, subject to rules prescribed by the department of administration;
- (10) sell all or substantially all of its assets or purchase all or substantially all of the assets of another credit union, subject to the approval of the department;
- (11) invest surplus funds as provided in this chapter;
- (12) make deposits in legally chartered banks, savings banks, cooperative banks, building and loan

1 associations, savings and loan associations, trust companies, and corporate credit unions;

2 (13) assess charges to members in accordance with the bylaws for failure to meet promptly their
3 obligations to the credit union;

4 (14) hold membership in other credit unions organized under this chapter or other laws and in other
5 associations and organizations composed of credit unions;

6 (15) declare dividends and pay interest refunds to borrowers as provided in this chapter;

7 (16) collect, receive, and disburse money in connection with the sale of negotiable checks, money
8 orders, and other money type instruments and for other purposes that provide benefit or convenience to its
9 members and charge a reasonable fee for the services;

10 (17) perform tasks and missions that are requested by the federal government or this state or any
11 agency or political subdivision of the federal government or this state, if approved by the board of directors and
12 if not inconsistent with this chapter;

13 (18) contribute to, support, or participate in any nonprofit service facility whose services will benefit
14 the credit union or its membership, subject to regulations prescribed by the department;

15 (19) make donations or contributions to any civic, charitable, or community organizations as
16 authorized by the board of directors, subject to regulations prescribed by the department;

17 (20) purchase or make available insurance for its directors, officers, agents, employees, and
18 members;

19 (21) act as custodian or trustee of individual retirement accounts, as custodian or trustee of pension
20 funds of self-employed individuals or of the sponsor of the credit union, or as custodian or trustee under any
21 other pension or profit-sharing plan if the funds of the accounts are invested in shares of the credit union;

22 (22) act as custodian or trustee for medical care savings accounts as provided in 15-61-204 or
23 health savings accounts if qualified as provided in 26 CFR 1.408-2; or

24 (23) act as fiscal agent for and receive deposits from the federal government, this state, or any
25 agency or political subdivision of the federal government or this state."

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