

January 29, 2024

The Honorable Nick Hoheisel, Chairperson
House Committee on Financial Institutions and Pensions
300 SW 10th Avenue, Room 582-N
Topeka, Kansas 66612

Dear Representative Hoheisel:

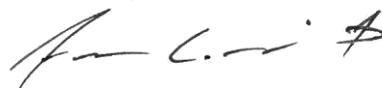
SUBJECT: Fiscal Note for HB 2561 by House Committee on Financial Institutions and Pensions

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2561 is respectfully submitted to your committee.

HB 2561 would authorize a domestic credit union to do business outside the state. The bill would authorize the Credit Union Administrator to collect civil penalties from a credit union for participation in any unsafe practices or violating the State Credit Union Code, rules and regulations of the Code or any lawful order of the Administrator. The civil penalty would not exceed \$1,000 per day. No civil money penalty would be assessed for the same act if another agency has taken similar action against the credit union. The bill would also eliminate the requirement to submit duplicate certificates of organization and bylaws for permission to organize a credit union. The bill would also establish appeals procedures for a suspended member of credit or supervisory committees. In addition, the bill would require members of the merging credit union to approve a merger of credit unions.

The Department of Credit Unions cannot estimate revenues it would collect from civil penalties assessed under HB 2561 because it would depend on the number of violations committed by a credit union. Therefore, the agency cannot estimate the fiscal effect of the bill. Any fiscal effect associated with HB 2561 is not reflected in *The FY 2025 Governor's Budget Report*.

Sincerely,



Adam C. Proffitt
Director of the Budget

cc: Julie Murray, Department of Credit Unions