

SESSION OF 2018

**SUPPLEMENTAL NOTE ON SENATE BILL NO. 292**

As Recommended by Senate Committee on  
Financial Institutions and Insurance

**Brief\***

SB 292 would amend law relating to the expulsion of credit union members.

The bill would authorize the president, general manager, or any other credit union employee designated by the board of directors to expel a credit union member from the credit union under certain circumstances. The bill would specify a member could be expelled for failure to comply with the credit union's adopted policy regarding expulsion. The bill would require the president or general manager to report such expulsion at the next regularly scheduled board meeting.

Additionally, the bill would eliminate the requirement that the board of directors provide notice to the member not less than 30 days prior to the effective date of the member's expulsion from the credit union. The bill would also eliminate the appeals process before the credit union membership. The bill would instead require the expelled member to be informed of the reason for expulsion, and the expelled member would be permitted to appeal the expulsion to the board of directors within 30 days of the expulsion.

The bill would be in effect upon publication in the *Kansas Register*.

---

\*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>

## **Background**

The bill was introduced by the Senate Committee on Financial Institutions and Insurance at the request of the Heartland Credit Union Association (Association). In the Senate Committee hearing, representatives of the Association and the Kansas Department of Credit Unions (Department) testified in support of the bill, stating the bill would give credit unions and their members more flexibility to protect the financial soundness and best interests of their membership. Written-only proponent testimony was provided by a representative of the Kansas Cooperative Council.

No neutral or opponent testimony was provided.

According to the fiscal note prepared by the Division of the Budget on the bill, the Department indicates enactment of the bill would have no fiscal effect.