

2019 Regular Session

SENATE BILL NO. 126

BY SENATOR PRICE

Prefiled pursuant to Article III, Section 2(A)(4)(b)(i) of the Constitution of Louisiana.

CREDIT. Provides relative to credit union powers and procedures. (8/1/19)

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AN ACT

To amend and reenact R.S. 6:315.1(A) and 659 and to enact R.S. 6:327(E), relative to credit unions; to add credit unions to those financial institutions that may utilize abandoned safety deposit box procedures; to provide relative to the transfer of certain deposits to the surviving spouse or heirs upon the death of an intestate depositor; to allow credit unions to expel members under limited circumstances; to provide terms and conditions; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 6:315.1(A) and 659 are hereby amended and reenacted, and R.S. 6:327(E) is hereby enacted to read as follows:

§315.1. Transfer of small deposits; death of depositor; affidavits required; penalties

A. Upon the death of a depositor who dies intestate and who has deposits standing in his name alone or jointly with a surviving spouse and heirs, if any, ~~in the total aggregate amount of twenty thousand dollars or less,~~ in any depository financial institution, such depository financial institution may ~~transfer~~ **pay a sum not to exceed twenty thousand dollars of** such deposits to the surviving spouse and heirs, if any, or to the heirs, if there is no surviving spouse, upon receipt of an affidavit

1 establishing jurisdiction and relationship. The affidavit shall also state that the
2 deceased depositor left no will, that the ~~total aggregate amount on deposit subject to~~
3 ~~transfer under this Section does not exceed twenty thousand dollars~~ **total funds**
4 **withdrawn do not exceed twenty thousand dollars from all depositories**, and that
5 such facts are true and correct.

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7 §327. Abandonment of safety deposit box

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9 **E. This Section shall also apply to federally insured credit unions.**

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11 §659. Expulsion and withdrawal of members

12 A.(1) At any regularly called meeting the members may, by a two-thirds vote
13 of those present, expel any member from the corporation for cause. A member may
14 withdraw from a credit union, as provided in this Chapter, by filing a written notice
15 of his intention.

16 **(2) A credit union may expel a member for cause, pursuant to a written**
17 **policy adopted by its board of directors. This expulsion may occur solely by**
18 **board action, without the necessity of a meeting of the members. For the**
19 **purposes of this Section, cause includes conduct by the offending member that**
20 **caused a loss to the credit union, violated the membership agreement or any**
21 **policy or procedure adopted by the board of directors, or exhibited**
22 **inappropriate behavior such as physical or verbal abuse of other credit union**
23 **members or staff.**

24 **(3) Any person so expelled shall have the right to file a written request**
25 **to the board of directors to reconsider the expulsion.**

26 **B.** All amounts paid in on shares of an expelled or withdrawing member with
27 any dividends credited to his share to the date of expulsion or withdrawal shall be
28 paid to the member, but only as funds for this become available and only after
29 deducting any amount due to the corporation by the member. All deposits and shares

1 of an expelled or withdrawing member, with any interest accrued, shall be paid the
 2 member subject to sixty days notice, and any amounts due to the corporation by the
 3 member shall be deducted. The member when withdrawing shares has no further
 4 right in the credit union or to any of its benefits, but the expulsion or withdrawal
 5 does not relieve the member from any remaining liability to the corporation.

The original instrument and the following digest, which constitutes no part
 of the legislative instrument, were prepared by Morgan B. Robertson.

	DIGEST	
SB 126 Original	2019 Regular Session	Price

Present law provides procedures relative to abandoned safety deposit boxes.

Proposed law adds credit unions to those financial institutions that may utilize the abandoned safety deposit box procedures provided for in present law.

Present law provides that upon the death of a depositor who dies without a will, along with an affidavit establishing jurisdiction and relationship, a depository financial institution may transfer deposits to a surviving spouse or heirs, if the total aggregate amount on deposit is \$20,000.00 or less.

Proposed law removes the \$20,000 cap on deposit and provides that payout shall not exceed \$20,000.

Present law provides that members may, by a two-thirds vote of those present, expel any member from the corporation for cause.

Present law provides that a member may withdraw from a credit union by filing a written notice of his intention.

Proposed law retains present law and further allows a credit union to expel a member for cause without a meeting of the members, pursuant to a written policy adopted by the board of directors.

Proposed law defines cause as conduct by the offending member that caused a loss to the credit union, violated the membership agreement or any policy or procedure adopted by the board of directors, or exhibited inappropriate behavior such as physical or verbal abuse of other credit union members or staff.

Proposed law provides that an expelled member has the right to file a written request of reconsideration.

Effective August 1, 2019.

(Amends R.S. 6:315.1(A) and 659; adds R.S. 6:327(E))