

2021 Regular Session

HOUSE BILL NO. 689 (Substitute for House Bill No. 466 by Representative Jordan)

BY REPRESENTATIVE JORDAN

CREDIT/UNIONS: Provides relative to credit unions

1 AN ACT

2 To amend and reenact R.S. 6:649(A)(2) and (C), relative to credit unions; to allow for
3 compensation; to provide for the payment of insurance premiums; to provide for
4 effectiveness; and to provide for related matters.

5 Be it enacted by the Legislature of Louisiana:

6 Section 1. R.S. 6:649(A)(2) and (C) are hereby amended and reenacted to read as
7 follows:

8 §649. Directors; officers; compensation

9 A.

10 * * *

11 (2) At the first meeting after the annual meeting of the members, the
12 directors shall elect from their number the board officers specified in the bylaws.
13 ~~Only one board officer shall be compensated as an officer of the board, and the~~The
14 bylaws shall specify such positions, as well as the specific duty of each of the board
15 officers. The board shall elect from their number a financial officer who shall give
16 bond with good and sufficient surety in an amount and character to be determined
17 by the board of directors in compliance with the conditions of this Section.

18 * * *

1 C. ~~No member of the board of directors or of the credit or supervisory~~
2 ~~committees shall receive any compensation for his services as a member of the board~~
3 ~~or of the committee. However, directors and committee members may receive~~ A
4 ~~credit union may reasonably compensate an officer, director, or committee member~~
5 ~~for services to the credit union or for expense reimbursement for loss of pay while~~
6 ~~away from work on credit union business, or~~ and for per diem when provided for in
7 the bylaws. The commissioner may approve such bylaw provision when the credit
8 union's legal reserves are in excess of six percent of risk assets. The payment by the
9 credit union of premiums for liability, travel, accident, ~~hospitalization~~ health, or life
10 insurance coverage on the director or committee member shall not be considered as
11 compensation under this Section.

12 Section 2. This Act shall become effective upon signature by the governor or, if not
13 signed by the governor, upon expiration of the time for bills to become law without signature
14 by the governor, as provided by Article III, Section 18 of the Constitution of Louisiana. If
15 vetoed by the governor and subsequently approved by the legislature, this Act shall become
16 effective on the day following such approval.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HB 689 Engrossed

2021 Regular Session

Jordan

Abstract: Allows a credit union to compensate an officer, director, or committee member for the member's services.

Present law allows for only one board officer to be compensated as an officer of the board.

Proposed law repeals this limitation.

Present law prohibits a member of the board of directors or of the credit or supervisory committees from receiving any compensation for his service as a member of the board or of the committee.

Proposed law repeals this prohibition. Proposed law allows a credit union to reasonably compensate an officer, director, or committee member for his services to the credit union and also allows expense reimbursement for loss of pay and per diem.

Present law provides that the payment by the credit union of premiums for liability, travel, accident, hospitalization, or life insurance coverage is not considered compensation.

Proposed law retains present law in part, but changes hospitalization insurance to health insurance.

Effective upon signature of governor or lapse of time for gubernatorial action.

(Amends R.S. 6:649(A)(2) and (C))