

Second Regular Session  
Seventieth General Assembly  
STATE OF COLORADO

REENGROSSED

*This Version Includes All Amendments  
Adopted in the House of Introduction*

LLS NO. 16-0577.01 Bart Miller x2173

SENATE BILL 16-125

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SENATE SPONSORSHIP

Holbert,

HOUSE SPONSORSHIP

Kraft-Tharp,

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Senate Committees  
Finance

House Committees

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A BILL FOR AN ACT

101 CONCERNING THE GOVERNANCE OF CREDIT UNIONS, AND, IN  
102 CONNECTION THEREWITH, AUTHORIZING THE APPOINTMENT OF  
103 AN AUDIT COMMITTEE IN LIEU OF A SUPERVISORY COMMITTEE  
104 AND ALLOWING THE REASONABLE COMPENSATION OF A  
105 DIRECTOR FOR HIS OR HER SERVICE TO THE CREDIT UNION.

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Bill Summary

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)*

**Section 1** of the bill authorizes the board of directors of a credit union to appoint an audit committee in lieu of the election or appointment

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
*Capital letters indicate new material to be added to existing statute.  
Dashes through the words indicate deletions from existing statute.*

SENATE  
3rd Reading Unamended  
February 24, 2016

SENATE  
Amended 2nd Reading  
February 23, 2016

of a supervisory committee. **Section 2** of the bill authorizes the credit union to reasonably compensate an officer, director, or committee member for his or her service to the credit union.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **amend** 11-30-108 as  
3 follows:

4 **11-30-108. Elections.** (1) At the annual meeting, or by other  
5 proper balloting within thirty days before and twenty days after the annual  
6 meeting, the credit union members shall elect from the membership a  
7 board of directors of not less than five members. A supervisory  
8 committee of not less than three members and a credit committee of not  
9 less than three members or a credit officer shall be elected by the credit  
10 union members or appointed by the board of directors as provided in the  
11 bylaws of the credit union. All such persons shall hold office for such  
12 terms respectively as the bylaws provide and until successors are elected  
13 or appointed and qualify. In addition, one or more alternate members of  
14 the credit committee may be elected by the credit union members or  
15 appointed by the board of directors to serve in the absence of members of  
16 the credit committee. No member shall hold more than one elected office  
17 simultaneously. A record of the names and addresses of the members of  
18 the board and such committees, such alternates, and the officers shall be  
19 filed with the commissioner within twenty days after their election or  
20 appointment.

21 (2) NOTWITHSTANDING SUBSECTION (1) OF THIS SECTION, THE  
22 BOARD OF DIRECTORS MAY, AS PROVIDED IN THE BYLAWS, APPOINT AN  
23 AUDIT COMMITTEE IN LIEU OF A SUPERVISORY COMMITTEE TO CARRY OUT  
24 THE DUTIES AND RESPONSIBILITIES OF THE SUPERVISORY COMMITTEE AS

1 CONTAINED IN SECTION 11-30-111. A RECORD OF THE NAMES AND  
2 ADDRESSES OF THE MEMBERS OF THE AUDIT COMMITTEE MUST BE FILED  
3 WITH THE COMMISSIONER WITHIN TWENTY DAYS AFTER THEIR ELECTION  
4 OR APPOINTMENT.

5 **SECTION 2.** In Colorado Revised Statutes, 11-30-109, **amend**  
6 (3) as follows:

7 **11-30-109. Directors and officers - compensation.** (3) ~~The~~  
8 ~~treasurer may be compensated for his service as treasurer. No other~~  
9 ~~member of the board of directors or of any committee shall, as such, be~~  
10 ~~compensated; except that reasonable health, accident, or similar insurance~~  
11 ~~protection, and the reimbursement of reasonable expenses incurred in the~~  
12 ~~execution of the duties of the position, shall not be considered~~  
13 ~~compensation.~~ A CREDIT UNION MAY REASONABLY COMPENSATE A  
14 DIRECTOR FOR HIS OR HER SERVICES TO THE CREDIT UNION. PROVIDING  
15 REASONABLE LIFE, HEALTH, ACCIDENT, AND SIMILAR INSURANCE  
16 PROTECTION IS NOT CONSIDERED COMPENSATION. DIRECTORS, OFFICERS,  
17 AND COMMITTEE MEMBERS MAY BE REIMBURSED FOR NECESSARY  
18 EXPENSES INCIDENTAL TO THE PERFORMANCE OF THE OFFICIAL BUSINESS  
19 OF THE CREDIT UNION.

20 **SECTION 3. Act subject to petition - effective date.** This act  
21 takes effect at 12:01 a.m. on the day following the expiration of the  
22 ninety-day period after final adjournment of the general assembly (August  
23 10, 2016, if adjournment sine die is on May 11, 2016); except that, if a  
24 referendum petition is filed pursuant to section 1 (3) of article V of the  
25 state constitution against this act or an item, section, or part of this act  
26 within such period, then the act, item, section, or part will not take effect  
27 unless approved by the people at the general election to be held in

- 1 November 2016 and, in such case, will take effect on the date of the
- 2 official declaration of the vote thereon by the governor.