

# FINAL BILL REPORT

## SSB 6298

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Synopsis as Enacted

**Brief Description:** Authorizing limited deposits of public funds with credit unions.

**Sponsors:** Senate Committee on Financial Institutions, Housing & Insurance (originally sponsored by Senators Berkey, Rockefeller and Kline).

**Senate Committee on Financial Institutions, Housing & Insurance**  
**House Committee on Financial Institutions & Insurance**

**Background:** Credit unions are nonprofit corporations that promote thrift among their members and create a source of credit for their members at fair and reasonable rates of interest. Seven or more natural persons who reside in Washington may apply to the Director of the Department of Financial Institutions for permission to organize as a credit union. Upon the Director's endorsement that the proposed articles of incorporation and bylaws are consistent with legal requirements and the Directors's determination that the proposed credit union is feasible, the formation of the credit union may proceed. One of the requirements of the bylaws is a statement of the credit union's field of membership.

A credit union's field of membership is the limitation of membership to those having a common bond of occupation or association, or to groups within a well-defined neighborhood, community or rural district.

The powers of a credit union are specified in statute. These powers include receiving deposits, making loans, and paying dividends and interest, among others.

National Credit Union Share Insurance Fund insures deposits in credit unions up to \$250,000 through December 31, 2013.

Public funds are those monies belonging to or held for the state, its political subdivisions, municipal corporations, agencies, courts, boards, commissions, or committees, and includes monies held in trust.

**Summary:** Credit unions are public depositories for the only purpose of receiving public deposits that may total no more than the lesser of the federal deposit insurance or \$100,000. The maximum amount of deposit applies to all funds attributable to any one depositor of public funds in any one credit union. Credit unions are subject to the same reporting requirements as are public depositories.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Votes on Final Passage:**

Senate	38	9
House	76	20

**Effective:** July 1, 2011