

State Issues Working Group Recommendations

Discussion & Review of Presented Issues:

1. Fiscal Year Flexibility

Challenge – ORS 723.026 requires state-chartered credit unions to have a fiscal year that ends December 31. This recently resulted in credit unions not having the flexibility to delay the adoption of CECL the way that other types of financial institutions could. In addition, not having flexibility to set the Fiscal Year can increase the cost of statutorily required annual audits.

Solution – Create flexibility in the statute to allow credit unions to determine the fiscal year.

2. Board Officer Election Flexibility

Challenge - ORS 723.252 currently requires the board to elect officers (Chair, Vice Chair, Secretary, etc.) within 60 days following the annual meeting. This assumes a one-year term for officers, but the statute allows the CU to set longer terms in its bylaws. Boards may want to have a different election cycle for board officers.

Solution - Remove any specification of specific time for election of officers.

3. Serving the Underserved

Problem - Underserved individuals may live in "pocket" areas that are not large enough to constitute a "community" that can be added to a CU's FOM. This puts such individuals at a disadvantage in obtaining CU services.

Solution - Permit CUs to serve underserved individuals (those fitting the description applicable to underserved communities) irrespective of whether the community they live.

4. Financial Education – Over the course of the last few years, the Association has presented information, convened stakeholders, and reviewed potential legislative or regulatory efforts to establish a financial literacy curriculum and elective courses for Oregon schools. Working with the State Treasurer’s office and other stakeholders, the Go West Credit Union Association will continue to work towards establishing a financial education curriculum and structure within the State of Oregon. OR SWIG support moving forward with a mandatory financial literacy requirement.

5. Review Washington’s Department of Revenue E-Withhold Program - Rivermark’s Compliance Team has been implementing Washington’s Department of Revenue E-Withhold Program. This Washington program (authorized by Washington legislation) appears to be more efficient for financial institutions. This may be of interest to Oregon credit unions and banks. (No Legislative Action Needed)

6. Electronic Titles for Vehicles – Introduce Legislation to require date that DMV implements electronic titles for vehicles.

7. ORS 723.266 Compensation of officials – currently compensation is limited to Directors and Supervisory Committee members. Our directors have raised the question about compensating Nominating Committee members, and this is currently not allowed. Would we want to explore expanding the compensation scope to include other committee members?

Top of List

- ***Protection of the Credit Union Tax Status*** –The Go West Credit Union Association Advocacy team does not foresee credit union taxation to be on the broader legislative agenda to bolster state revenues, during the 2023 Session, but there are members of the legislature that would like to review all state tax exemptions to determine their return to the state. We are very confident in the return that individual Oregonians, their communities, and the state receives from not-for-profit, cooperative credit unions in our state; however, there remains a need to stay diligent and ensure this remains as the utmost of priorities as we prepare our legislative agenda for the years ahead. We will continue to work to protect the credit union tax exemption, while ensuring it is not included in any revenue generating legislation.