

ARIZONA CREDIT UNIONS

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To: Arizona Governmental Affairs Committee

From: Austin DeBey, VP, Legislative Affairs, GoWest

CC: Brian Lee, President & CEO, Landings CU
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Today marks the 92nd day of what is supposed to be a 100-day state legislative session pursuant to House and Senate rules. However, leadership can extend beyond this deadline, and it appears this session will last significantly longer. As of March 30th, most committees have concluded their hearing work for the year, except for the House and Senate Appropriations Committees.

This is turning out to be the year of the veto, as Governor Hobbs has vetoed a total of 38 of the 66 bills sent to her this year – not yet reaching the record 58 vetoes by Governor Napolitano in 2005, but more than the average over the last 20 years – and she will likely have around 300 more opportunities as bill continue to reach her desk.

A big part of what will determine when the Legislature adjourns will be how well negotiations progress around the state budget. Lawmakers and the Governor's office say some budget talks are occurring, but it is unclear how those are going or when the legislature might introduce a spending plan for the fiscal year that begins July 1.

Director Barbara Richardson Appointment & Nomination

In March, Governor Hobbs [appointed Barbara Richardson](#) to lead the Arizona Department of Insurance and Financial Institutions (DIFI). In the wake of the announcement, the Association invited Ms. Richardson to join us at the Arizona Day at the Capitol event, where she had an opportunity to say a few words to attendees and introduce herself to Arizona credit unions.

In addition, Troy Stang, John Trull, and myself were joined by Brian Lee, President/CEO of Landings CU and Alan Althouse, President/CEO of TruWest CU last week for a sit-down meeting with Ms. Richardson. The meeting was set up to allow

us time to take a deeper dive in discussing the important issues facing Arizona credit unions, and the department. Based on the conversation in our meeting last week, the association feels extremely confident with the vision that Director Richardson has for the department.

As part of the appointment process, Ms. Richardson must now go through a confirmation process in the State Senate, which includes a hearing before the Senate Committee on Director Nominations. The Association will be submitting a letter in support of the nomination and plans to testify during the hearing. Once a date for the hearing has been set, we will let you know as we would like to have credit unions in attendance to show additional support.

Update on Key Legislation

Anti-ESG (Environment, Social & Governance) legislation continues to be a highly debated and partisan issue at the Capitol. Of the 7 anti-ESG bills that were introduced, all of them have been supported by Republicans and opposed by Democrats.

The most notable for credit unions is [SB 1138: Banks; Discrimination Prohibition; Social Criteria](#), which would prohibit a financial institution, insurer, or credit reporting agency from discriminating against any person based on a political affiliation, or other social credit, environmental, social, governance or similar values-based or impact criteria. We oppose this legislation, which is currently waiting for a final vote in the House. If passed by the House, it will be sent to the Governor, who has already vetoed two other anti-ESG bills. They include:

[SB 1096: Firearms; Contracts; Prohibited Practices](#), would have prohibited a public entity from entering a contract of \$100,000 or more with a company to acquire or dispose of services, supplies, information technology, or construction unless the contract includes a written certification that the company does not, and will not, discriminate against a firearm entity or firearm trade association. The Association opposed this bill, as it would have impacted credit unions that held any state or local public funds.

[HB 2472: Social Credit; Use; Prohibition](#) would have asserted that the State may not require a financial institution to use a social credit score in determining whether to lend money. GoWest was neutral on this bill.

In addition to anti-ESG bills, there are a few other bills we continue to engage on as they move through the process. One of those is [HB 2484: Failure to Return Vehicle; Repeal](#) which removes a current statute that makes it a class 6 felony if an individual fails to return a motor vehicle subject to a security interest. We have been working with a stakeholder group to work out a compromise to keep failure to return a vehicle as a class 6 felony, while making sure certain collection attempts have been made before involving law enforcement.

In addition, we continue to work with a stakeholder group on [HB 2292: Motor Vehicle Dealers; Sales; Cancellation](#) to ensure that all monies are returned to a lienholder in a timely fashion in the event that a motor vehicle sale was cancelled. Lastly, we were successful in getting an amendment attached to [HB 2066: Banks; Financial Institutions; Personal Information](#) which would have required a financial institutions to destroy a former member/customer's personal information after three years. Per the amendment, we were able to have the 3-year timeframe extended to 10 years, as well as provide an exemption for any applicable law that requires a retention period that exceeds ten years. This bill has since passed both the House and Senate and is currently awaiting action from the Governor.

Advanced Leadership Program in Phoenix

I wanted to share that the GoWest Credit Union Association will be offering a new leadership development program in Phoenix that begins on May 22nd. The [Advanced Leadership Program](#) will equip the next generation of credit union leaders with the tools, skills, and resources they need to cultivate, nurture and act on their leadership potential and strategic development. The audience is focused on mid-level and experienced leaders who are growing their career within the credit union movement. Scholarships are available as well [Scholarships | GoWest Foundation](#).

Thank you and let me know if you have any questions,

Austin DeBey

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