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H.737

Introduced by Representatives Baser of Bristol and Stuart of Brattleboro

Referred to Committee on

Date:

Subject: Commerce and trade; financial institutions; credit unions

Statement of purpose of bill as introduced: This bill proposes to apply the sales and use tax to credit unions; and to require a credit union to file an annual report with State regulators concerning its efforts to serve the needs of Vermonters with low and moderate income in its community.

An act relating to miscellaneous provisions affecting credit unions

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 8 V.S.A. § 30901 is amended to read:

§ 30901. TAXATION

Any credit union organized under this or any other credit union statute and all shares and deposits therein shall be exempt from all taxation imposed by this jurisdiction ~~before or after the enactment of this section~~ or any taxing authority within this jurisdiction, and no law ~~which~~ that taxes corporations in any form, or the shares or deposits thereof, or the accumulations thereon, shall apply to any credit union, except that any real property and any tangible personal property owned by any credit union shall be subject to taxation to the

1 same extent as other similar property is taxed. ~~However, this exception shall~~
2 ~~not permit the imposition of any sales or use taxes on the credit union.~~ The
3 shares of any credit union shall not be subject to transfer taxes, either when
4 issued or when transferred from one member to another. The participation by
5 a credit union in any government programs providing unemployment, Social
6 Security, old age pension, or other benefits shall not be deemed a waiver of the
7 taxation exemption hereby granted.

8 Sec. 2. 32 V.S.A. § 9747 is added to read:

9 § 9747. CREDIT UNIONS

10 Notwithstanding 8 V.S.A. § 30901 and section 9743 of this title, a credit
11 union shall be subject to the sales and use tax.

12 Sec. 3. 8 V.S.A. § 30501 is amended to read:

13 § 30501. FINANCIAL REPORTS

14 (a) The Commissioner shall require each credit union to submit:

15 (1) a A quarterly report of its condition within 30 days ~~of~~ after the end
16 of each calendar quarter in such manner and on such forms as the
17 Commissioner may require. Reports shall be verified to be true, correct, and
18 complete by the oath of the person preparing the report.

19 (2) An annual report specifying how the credit union is meeting the
20 needs of Vermonters with low to moderate income and demonstrating how the

1 credit union is meeting the community service and credit needs that merit
2 exemption from the franchise tax.

3 (b) The Commissioner may require a credit union to file additional reports
4 or special reports at such frequency and within such time periods as the
5 Commissioner may require in his or her discretion. The Commissioner may
6 require that such additional or special reports include such information and be
7 in such format as the Commissioner may direct.

8 (c) Promptly following the completion of any annual audit, any verification
9 of member accounts, or any other verification or examination performed by or
10 at the request of the supervisory committee, the supervisory committee shall
11 file a copy of such written report with the governing body.

12 (d) Each credit union shall forward to the Commissioner a copy of all
13 reports required by the National Credit Union Administration, or any successor
14 thereof.

15 (e) If any report is not filed by the date it is due, a fine of not more than
16 \$100.00 for each day the report remains in arrears may be levied against the
17 offending credit union. If the report is not filed within 15 days ~~of~~ after the due
18 date, the Commissioner may, after written notice to the chief executive officer
19 of the credit union of its intention to do so, suspend or revoke the certificate of
20 approval, issue a cease and desist order, take possession of the business and

1 property of the credit union, order its liquidation in accordance with section
2 36101 of this title, or take any other action permitted by law or regulation.

3 (f) The Commissioner, in his or her discretion, may accept reports filed
4 with other regulators for purposes of the requirements of this section.

5 Sec. 4. EFFECTIVE DATE

6 This act shall take effect on July 1, 2018.