

House Engrossed

FILED
KEN BENNETT
SECRETARY OF STATE

State of Arizona
House of Representatives
Fiftieth Legislature
Second Regular Session
2012

CHAPTER 70

HOUSE BILL 2156

AN ACT

AMENDING SECTION 6-588, ARIZONA REVISED STATUTES; RELATING TO CREDIT UNIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 6-588, Arizona Revised Statutes, is amended to
3 read:

4 6-588. Conversion of credit union

5 A. A credit union incorporated under the laws of this state may be
6 converted to a credit union organized under the laws of the United States, or
7 it may be converted to a credit union organized under the laws of another
8 state if the principal office has relocated to another state or jurisdiction,
9 in the following manner:

10 1. On recommendations of the board of directors, the members of a
11 credit union incorporated under the laws of this state, by an affirmative
12 majority vote of all members voting in a meeting called for that purpose or
13 by written ballot filed within fifteen days, may resolve to convert the
14 credit union into a federal credit union or a credit union organized under
15 the laws of another state.

16 2. Within twenty days after the meeting at which the members determine
17 to so convert, the credit union shall file with the superintendent a
18 certificate verified by the affidavit of the president or the chairman and
19 the secretary of the credit union. The certificate shall contain a copy of
20 the minutes of the meeting and a statement that the members have approved the
21 determination to convert the credit union into a federal credit union or a
22 credit union organized under the laws of another state.

23 3. The filing of the certificate required in paragraph 2 of this
24 subsection with the superintendent is presumptive proof or evidence of the
25 holding of the meeting and the action taken.

26 4. After the meeting of the members, the credit union shall take such
27 action as is necessary under the federal law or the state law to which it is
28 converting as a credit union. It shall also liquidate in a manner approved
29 by the superintendent any assets or liabilities which are not by reason of
30 law capable of being transferred to the converted credit union. Within ten
31 days after the receipt of the new charter or certificate of incorporation,
32 the credit union shall file with the superintendent and the corporation
33 commission a copy of the instrument. On this filing, the credit union ceases
34 to be a credit union incorporated under the laws of this state and is
35 converted to one under its new jurisdiction.

36 5. At the time the conversion becomes effective, the credit union
37 ceases to be supervised by this state and all of the property of the credit
38 union, including all of its right, title and interest in and to all property
39 of every kind and character, immediately by operation of law and without any
40 conveyance or transfer and without any further act or deed is vested in the
41 converted credit union under its new name and structure and under its new
42 jurisdiction.

43 6. The converted credit union shall have, hold and enjoy the property
44 prescribed in paragraph 5 of this subsection in its own right as fully and to
45 the same extent as the property was possessed, held and enjoyed by it as a

1 credit union under the laws of this state. The converted credit union
2 continues to be responsible for all of the obligations of the former credit
3 union to the same extent as though the conversion had not taken place. The
4 converted credit union is merely a continuation of the former credit union
5 under a new name and new jurisdiction and the revision of its corporate
6 structure as is necessary for its proper operation under the new
7 jurisdiction.

8 B. A credit union organized under the laws of the United States or of
9 any other state may convert to a credit union incorporated under the laws of
10 this state in the following manner:

11 1. To effect such a conversion a credit union shall first comply with
12 all of the requirements of the jurisdiction under which it is organized and
13 file proof of the compliance with the superintendent.

14 2. The converting credit union through its proper officers and
15 officials shall sign and acknowledge in quintuplicate a certificate of
16 organization as required in sections 6-506 and 6-507 in which they bind
17 themselves to comply with the requirements of the certificate and with all
18 the laws and rules applicable to a state credit union. The application for a
19 certificate of organization in quintuplicate, the bylaws in duplicate and the
20 required charter fee and examination assessment shall be submitted to the
21 superintendent who shall make or cause to be made an appropriate
22 investigation for the purpose of determining the advisability of such a
23 conversion. On receipt of the superintendent's certificate of organization
24 in quadruplicate, with the certificate of approval, the applicants shall file
25 the certificate of approval attached in quadruplicate with the corporation
26 commission and record a certified copy of the filing under the seal of the
27 commission with the county recorder of the county or counties in which the
28 credit union is to do business. On proof of the recording, the corporation
29 commission shall issue a certificate of incorporation to the credit union.
30 The credit union shall forward a certified copy of the certificate of
31 organization showing the filing and recording to the superintendent. The
32 credit union shall also file with the corporation commission the appointment
33 of an agent on whom service of process may be made.

34 3. Within ten days after the receipt of the certified copy of the
35 certificate of incorporation by the credit union, the credit union shall file
36 two certified copies of the certificate with its present supervisory agency
37 and a copy of the transmittal letter with the superintendent.

38 4. On filing the certified copy of the certificate of organization
39 with the superintendent, the converting credit union ceases to be a credit
40 union under its former jurisdiction and is a credit union under the laws of
41 this state. All of the property of the credit union, including all of its
42 right, title and interest in and to all property of every kind and character,
43 immediately, by operation of law and without any conveyance or transfer and
44 without any further act or deed, is vested in the credit union under its new
45 name and style as a state credit union and under its new jurisdiction.

1 5. The converted credit union shall have, hold and enjoy the property
2 prescribed in paragraph 4 of this subsection in its own right as fully and to
3 the same extent as the property was possessed, held and enjoyed by it as a
4 credit union under its former jurisdiction and the converted credit union
5 continues to be responsible for all of the obligations of the former credit
6 union to the same extent as though conversion had not taken place. The
7 converted credit union is merely a continuation of the former credit union
8 under a new name and new jurisdiction and the revision of its corporate
9 structure as is considered necessary for its proper operation under the new
10 jurisdiction.

11 C. A CREDIT UNION INCORPORATED UNDER THE LAWS OF THIS STATE MAY BE
12 CONVERTED INTO AN ASSOCIATION, AS DEFINED IN SECTION 6-401, THAT IS
13 INCORPORATED UNDER THE LAWS OF THIS STATE OR OF THE UNITED STATES IF THE
14 CREDIT UNION COMPLIES WITH BOTH OF THE FOLLOWING:

15 1. THE PROVISIONS ESTABLISHED BY THE NATIONAL CREDIT UNION
16 ADMINISTRATION AS PRESCRIBED BY 12 CODE OF FEDERAL REGULATIONS PART 708a.

17 2. ANY RULES THAT THE SUPERINTENDENT ADOPTS TO IMPLEMENT THIS
18 SUBSECTION.

APPROVED BY THE GOVERNOR MARCH 21, 2012.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 22, 2012.

Passed the House February 9, 2012

Passed the Senate March 15, 2012

by the following vote: 54 Ayes,

by the following vote: 29 Ayes,

0 Nays, 5 Not Voting
1 vacant

0 Nays, 1 Not Voting

[Signature]
Speaker of the House

[Signature]
President of the Senate

[Signature]
Chief Clerk of the House

[Signature]
Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this
19th day of March, 20 12

at 2:37 o'clock P M.

[Signature]
Secretary to the Governor

Approved this 21st day of

March

at 1:40 o'clock P M.

[Signature]
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State
this 22nd day of March, 20 12

at 8:14 o'clock A M.

[Signature]
Secretary of State

H.B. 2156