

2015 State Legislative Overview



MOUNTAIN WEST
Credit Union Association

Published: 05/14/2015

To Member Credit Unions,

This legislative overview provides information regarding key legislative activities the Mountain West Credit Union Association conducted on behalf of our member credit unions during the 2015 Arizona, Colorado, and Wyoming State Legislative Sessions.

2015 Arizona State Legislature

The First Regular Session of the 52nd Arizona Legislature convened on January 12, 2015 and adjourned Sine Die on April 3, 2015. Of note, the Association helped defeat [HB 2611: Consumer Flex Loans](#) which would have allowed an industry similar to payday lending into the state. In addition, we added amendments to [HB2135: Transportation Network Companies](#) legislation to help protect lien holders.

Listed below are the noteworthy bills signed into law by the Governor. Unless otherwise noted, the effective date of Arizona legislation is July 3, 2015.

[HB 2097: Loan Originators; Advance Fee Loans](#)

Registered advance fee loan brokers are required to apply for renewal by June 30th of each year. Any registration for which a renewal application is not received by the June 30th deadline will be suspended and the broker may not act as such until the registration is renewed or issued a new registration. The registration expires if the broker has not filed the renewal application by July 31st and a registration may not be granted to the holder of an expired registration except as provided in statute for the issuance of an original registration. The bill also abolishes the Loan Originator Examination Committee.

[HB 2135: Transportation Network Companies](#)

Establishes laws regarding Transportation Network Companies (TNC) specifying the TNC insurer must issue a payment for a comprehensive or collision claim to the business repairing the vehicle or jointly to the owner of the vehicle and the primary lien holder on the covered vehicle. TNCs are required to disclose that the TNC driver's personal insurance policy may not provide coverage while the driver uses a personal vehicle in connection with the TNC's APP. Additionally, TNCs must disclose that using vehicles subject to liens in TNC services possibly violates the terms of the contract with the lien holder.

[HB 2169: Loan Originator Licensing](#)

The 20 hours of education that loan originator licensees must complete during the 3-year period preceding license application must include 4 hours of the laws of Arizona and the 8 hours of continuing education that licensees must complete before submitting a renewal application must include 1 hour of the laws of Arizona. The examination for loan originator license applicants must be developed or deemed acceptable by the Nationwide Mortgage Licensing System and Registry established by federal law.

[HB 2220: Security Freezes; Protected Consumers](#)

A consumer reporting agency is required to place a "security freeze" on a "protected person's" (both defined) credit report if the agency receives a request from the protected person's representative and the representative fulfills a list of requirements, including paying a fee and providing sufficient proof of identification of both the protected person and the representative. A consumer reporting agency is prohibited from releasing the protected person's credit report, any information derived from the report, or any record created for the protected person until the security freeze is removed. Establishes a process for the removal of a security freeze. Consumer reporting agencies are authorized to charge a reasonable fee of \$5 for each placement or removal of a security freeze, except in specified circumstances. An act or practice in violation of these regulations is an unlawful practice and subject to enforcement through a private action and by the Attorney General. Does not apply to the use of a protected person's credit report or record by a specified list of persons and entities. Effective January 1, 2016.

[HB 2311: Judgment Liens; Recordation; Real Property](#)

A certified copy of the judgment of any court in the state may be filed and recorded in the office of the county recorder in each county where the judgment creditor desires the judgment to become a lien on the real property of the judgment debtor. On recording, the judgment becomes a lien on the real property of the judgment debtor. Applies to judgments that are recorded beginning January 1, 2016.

[SB 1337: State-Chartered Financial Institutions; Growth](#)

The Superintendent of Financial Institutions is required to make it a priority to encourage the growth of state-chartered financial institutions in Arizona. By February 1st of each year, the Superintendent must notify the Governor and the Legislature if the total number of state-chartered banks or credit unions decreased during the prior calendar year.

[SB 1447: Foreign Country Money Judgments; Enforcement](#)

A court is required to recognize a judgment of a court of a foreign country unless specified conditions apply. The court may choose to not recognize a foreign-country judgment in specified circumstances. A party contesting the recognition of a foreign-country judgment has the burden of establishing a ground for nonrecognition exists. A procedure for recognition of a foreign-country judgment is established. Applies to actions commenced on or after the effective date of July 3, 2015.

[SB 1449: Public Monies; Investment; Pooled Collateral](#)

Various changes relating to regulation of "public monies" (defined). Various types of securities or instruments are removed from the list of approved collateral. Withdrawals of eligible collateral for public deposits must have the written consent of the administrator and substitutions of collateral may be made with notification to the administrator.

[SB 1451: Investment of Trust Monies](#)

The list of authorized investments for trust and treasury monies is modified to include evidences of indebtedness that carry an investment grade rating by a nationally recognized bond rating agency instead of specified ratings from certain rating agencies. The mean bid-ask price of U.S. Treasury obligations used to determine the interest rate of State Transportation Board funding obligations is as determined by the pricing system used by the State Treasurer instead of as published most recently in the Wall Street Journal. The minimum assets a bank must have to be eligible to be the servicing bank for the state is reduced from \$200 million to \$100 million.

2015 Colorado General Assembly

The First Regular Session of the 70th Colorado General Assembly convened January 7, 2015 and adjourned Sine Die on May 6, 2015. Of note, the Association defeated some highly controversial bills including: [HB 1154: No Credit Card Fee on Tax Portion of Sale](#) which would have prevented an interchange fee to be charged on the sales tax portion of a transaction; [SB 34: Reduce Finance Charge Limit for Credit Cards](#) which would have reduced the maximum permissible finance charge on credit cards; and [SB 200: Private Student Loan Disclosure Requirements](#) which would have increased consumer protections in student lending for education loans.

Listed below are the noteworthy bills signed into law by the Governor. Unless otherwise noted, the effective date of Colorado legislation is August 5, 2015.

[HB 1063: Prohibited Communications Concerning Patents](#)***

Prohibits a person from making written or electronic communication with another concerning a patent if the communication falsely states litigation has been commenced against the recipient or an affiliated party; the communication threatens litigation and there is a consistent pattern of such threats having been made but no litigation is filed; or the allegations in the communication lack a reasonable basis because of specified deficiencies.***

HB 1064: Access Safe Deposit Box of Decedent

Clarifies who has access to the safe deposit box of a decedent. A custodian of a safe deposit box is not deemed to have acquired knowledge, either actual or constructive, pertaining to the value of any of the contents of the box delivered to a person as a consequence of the custodian's examination and delivery of such contents.

HB 1246: Crowdfund Intrastate Securities On-line

Enacts the Colorado Crowdfunding Act to facilitate crowdfunding by authorizing on-line intermediaries to match a Colorado investor with a Colorado business that wishes to sell securities (an issuer).

HB 1390: Consumer Credit Finance Charges^{***}

Increases the applicable finance charge limits permissible on certain supervised loans and consumer credit sales to 36% per year on an unpaid balance of the amount financed of \$3,000 or less (changed from \$1,000 or less); 21% per year on an unpaid balance of the amount financed more than \$3,000 but less than \$5,000 (changed from more than \$1,000 but less than \$3,000); and 15% per year on an unpaid balance of the amount financed more than \$5,000 (changed from more than \$3,000).

Effective immediately.^{***}

SB 109: Mandatory Abuse Report For Adult With A Disability^{***}

Creates a task force to study expanding elder abuse requirements to include covering a person with a disability 18 years of age or older. Effective immediately.^{***}

SB 142: Property Tax Escrow Same As Federal RESPA

Makes state law requirements for mortgage escrow accounts the same as those imposed by the federal Real Estate Settlement Procedures Act of 1974. Effective immediately.

^{***}As of May 14, 2015, these bills were pending action by Governor Hickenlooper. Updates on the Governor's legislative actions can be found [here](#).

2015 Wyoming State Legislature

The 63rd Wyoming Legislature convened January 13, 2015 and adjourned Sine Die on March 6, 2015. Of note, the Mountain West Credit Union Association supported [HB: 201: Deposits by Political Subdivisions](#) that would have allowed public entities to place public deposits in credit unions if they did not have a bank within 10 miles. The bill successfully moved through the Wyoming House of Representative and passed out of a Senate Committee. However, the bill did not receive a final vote in the Senate before the session deadline.

Listed below are the noteworthy bills passed this session. Unless otherwise noted, the effective date of Wyoming legislation is July 1, 2015.

HB 30: Deposits and Depositories

Relating to deposits and depositories; amending board of deposits procedures; amending the procedure for designating state fund depositories; providing for continuing designation; requiring the disclosure of disciplinary actions as specified; providing for the revocation of depository designations; providing for the promulgation of rules; providing definitions; amending provisions related to securing the deposit of state funds; amending requirements related to joint custody agreements which secure deposits.

HB 64: UCC-Title I and VII Revisions

Relating to the Uniform Commercial Code; adopting uniform revisions to the article relating to general provisions and the article relating to warehouse receipts, bills of lading, and other documents; conforming related provisions; repealing nonconforming statutes.

SF 35: Security Breach Notification

Relating to consumer protection; specifying notice requirements to consumers affected by breaches of personal identifying information; requiring identity theft prevention and mitigation services for affected Wyoming residents as specified.

SF 36: Personal Identifying Information-Definitions

Relating to crimes and offenses and consumer protection; amending definitions relating to personal identifying information.

SF 45: Digital Information Privacy Task Force-Reappropriation

Relating to the administration of government and privacy; specifying staffing for the digital information privacy task force; designating a committee to receive task force report; reappropriating money. This act is effective immediately upon completion of all acts necessary for a bill to become law.
