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SENATE BILL 6029

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State of Washington

63rd Legislature

2014 Regular Session

By Senators Benton and Hobbs

Read first time 01/14/14. Referred to Committee on Financial Institutions, Housing & Insurance.

1 AN ACT Relating to credit unions' mergers; and amending RCW  
2 31.12.461.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 31.12.461 and 2013 c 34 s 10 are each amended to read  
5 as follows:

6 (1) For purposes of this section, the merging credit union is the  
7 credit union whose charter ceases to exist upon merger with the  
8 continuing credit union. The continuing credit union is the credit  
9 union whose charter continues upon merger with the merging credit  
10 union.

11 (2) A credit union may be merged with another credit union with the  
12 approval of the director and in accordance with requirements the  
13 director may prescribe. The merger must be approved by a majority vote  
14 of the board of each credit union and a (~~two-thirds~~) majority vote of  
15 those members of the merging credit union voting on the merger at a  
16 membership meeting. The requirement of approval by the members of the  
17 merging credit union may be waived by the director if the merging  
18 credit union is in imminent danger of insolvency.

1           (3) The property, rights, and interests of the merging credit union  
2 transfer to and vest in the continuing credit union without deed,  
3 endorsement, or instrument of transfer, although instruments of  
4 transfer may be used if their use is deemed appropriate. The debts and  
5 obligations of the merging credit union that are known or reasonably  
6 should be known are assumed by the continuing credit union. The  
7 continuing credit union shall cause to be published notice of merger  
8 once a week for three consecutive weeks in a newspaper of general  
9 circulation in the county in which the principal place of business of  
10 the merging credit union is located. The notice of merger must also  
11 inform creditors of the merging credit union how to make a claim on the  
12 continuing credit union, and that if a claim is not made upon the  
13 continuing credit union within thirty days of the last date of  
14 publication, creditors' claims that are not known by the continuing  
15 credit union may be barred. Except for claims filed as requested by  
16 the notice, or debts or obligations that are known or reasonably should  
17 be known by the continuing credit union, the debts and obligations of  
18 the merging credit union are discharged. Upon merger, the charter of  
19 the merging credit union ceases to exist.

20           (4) Mergers are effective after the thirty-day notice period to  
21 creditors and all regulatory waiting periods have expired, and upon  
22 filing of the credit union's articles of merger by the secretary of  
23 state, or a later date stated in the articles, which in no event may be  
24 later than ninety days after the articles are filed.

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