

2023 Kansas Statutes

17-2205. Credit unions, fields of membership. [See Revisor's Note] (a) (1) The membership shall consist of the organizers and such persons, societies, associations, copartnerships and corporations as have been duly elected to membership and have subscribed to one or more shares and have paid for the same, and have complied with such other requirements as the articles of incorporation may contain.

(2) Once a person becomes a member of the credit union, such person may remain a member of the credit union until the person chooses to withdraw or is expelled from the membership of the credit union.

(3) Members of a credit union also may include the following:

(A) The spouse of any person who died while such person was within the field of membership of the credit union;

(B) any employee of the credit union;

(C) any person who retired from any qualified employment group within the field of membership;

(D) any person of a volunteer group recognized by the management of the association or employee group within the field of membership and such person: (i) Has completed a training program offered by the volunteer group to further its goals; (ii) serves on the board of the volunteer group; or (iii) serves as an officer of the volunteer group;

(E) any member of such person's immediate family or household;

(F) any organization whose membership consists of persons within the field of membership; and

(G) any corporate or other legal entity within the field of membership as identified in the charter, articles of incorporation or bylaws of the credit union.

(4) For the purposes of paragraph (3)(E):

(A) Except as provided in subparagraph (B), the term "immediate family or household" means spouse, parent, stepparent, grandparent, child, stepchild, sibling, grandchild or former spouse and persons living in the same residence maintaining a single economic unit with persons within the credit union's field of membership.

(B) If the credit union's bylaws adopted a definition of immediate family before June 30, 2008, the credit union may use that definition. A credit union may adopt a more restrictive definition of immediate family or household.

(C) If authorized in the credit union's bylaws, a member of the immediate family or household is eligible to join even when the eligible member has not joined the credit union.

(b) (1) Credit union organizations shall be limited to:

(A) A group having a single common bond of occupation or association;

(B) a group having multiple common bonds of occupation or association or any combination thereof. No such group shall have a membership of more than 3,000, except as permitted in subsection (c) or (d); or

(C) persons residing, working or worshipping in or organizations located within a geographic area.

(2) A common bond of occupation may include employees of the same employer, workers under contract with the same employer, businesses paid by the same employer on a continuing basis or employees in the same trade, industry or profession.

(3) A common bond of association may include members and employees of a recognized association as defined in such association's charter, bylaws or other equivalent document.

(c) A credit union that chooses to be limited as provided in subsection (b)(1)(C) may include one or more common bonds of occupation or one or more common bonds of association or any combination thereof with no limitation on the number of members, if the employer or association is located in the geographic area of the credit union.

(d) A group formed with multiple common bonds of occupation or association may exceed 3,000 members, if the administrator determines in writing that such group could not feasibly or reasonably establish a new single common bond credit union because the group:

- (1) Lacks sufficient volunteer and other resources to support the efficient and effective operation of a credit union;
- (2) does not meet the criteria established by the administrator indicating a likelihood of success in establishing and managing a new credit union, including demographic characteristics such as geographical location of members, diversity of ages and income levels, and other factors that may affect the financial viability and stability of a credit union; or
- (3) would be unlikely to be able to operate in a safe and sound manner.

(e) (1) A geographic area may include:

- (A) A single political jurisdiction;
- (B) multiple contiguous political jurisdictions if the aggregate total of the population of the geographic area does not exceed 2,500,000, as determined by official state population figures for the state of Kansas, or any portion thereof, that are identical to the decennial census data from the actual enumeration conducted by the United States bureau of the census and used for the apportionment of the United States house of representatives in accordance with K.S.A. 11-304, and amendments thereto.

(2) No geographic area shall consist of the entire state of Kansas.

(f) (1) No credit union shall change or alter its field of membership except as provided in this section. Before a credit union can alter or change its field of membership, such credit union shall file, or cause to be filed, with the administrator, an application for amendment to its field of membership. The application shall include:

- (A) Documentation showing that the proposed area or groups to be served meets the statutory requirements for field of membership set forth in this statute;
- (B) pro forma financial statements for the first two years after the proposed alteration of or change in field of membership, including any assumption regarding growth in membership, shares, loans and assets;
- (C) a marketing plan addressing how the proposed field of membership will be served;
- (D) the financial services to be provided to the credit union's members;
- (E) a local map showing the location of both current and proposed headquarters and branches; and
- (F) the anticipated financial impact on the credit union in terms of need for additional employees and fixed assets.

(2) (A) The application shall also include a proof of publication of the notice that the affected credit union intends to file or has filed an application to alter or change its field of membership. Such notice shall be in the form prescribed by the administrator and shall at a minimum contain the name and address of the applicant credit union and a description of the proposed alteration of or change in the field of membership.

(B) The notice shall be published for two consecutive weeks in the Kansas register. The required publications shall occur within 60 days of and prior to the effective date of the proposed change. The applicant shall provide proof of publication to the administrator.

(g) For the purposes of this section, "political jurisdiction" means a city, county, township or clearly identifiable neighborhood.

History: L. 1929, ch. 141, § 5; L. 1951, ch. 204, § 2; L. 1972, ch. 57, § 2; L. 2008, ch. 81, § 2; L. 2009, ch. 66, § 1; L. 2021, ch. 2, § 8; July 1.