

**RULES COMMITTEE
MEETING MINUTES
June 14, 2012**

A. CALL TO ORDER – Chairman Manuel Cavazos called the meeting to order at 1:00 p.m. in the conference room of the Credit Union Department office, Austin, Texas pursuant to Chapter 551 of the Government Code. Other members present included Gary Janacek, Gary Tuma, and ex-officio member Thomas Butler. Rob Kyker was absent due to a scheduling conflict. Commission Member John Yoggerst also attended the meeting but did not participate in the deliberations of the Committee. Assistant Attorney General Nancy S. Fuller was also in attendance. Staff members in attendance were Harold E. Feeney, Commissioner and Betsy Loar, Assistant Commissioner and General Counsel. Chairman Cavazos appointed Isabel Velasquez as recording secretary. The Chair also inquired and the Commissioner confirmed that the notice of the meeting was properly posted (**June 4, 2012, TRD#2012003796**).

- **INVITATION FOR PUBLIC INPUT FOR FUTURE CONSIDERATION** – Chairman Cavazos invited public input on matters regarding rulemaking for future consideration by the committee. There was none.

B. RECEIVE MINUTES OF PREVIOUS MEETING (February 16, 2012)

Mr. Janacek moved for approval of the minutes of the February 16, 2012 meeting as presented. Mr. Tuma seconded the motion, and the motion was unanimously adopted.

C. UNFINISHED BUSINESS

(a) Discussion of and Possible Vote to Recommend that the Credit Union Commission Adopt the Proposed Amendments to 7 TAC Section 91.808. Commissioner Feeney noted that the Commission had previously approved for publication and comment the proposed amendments to Rule 91.808. He reported that no comments were received during the comment period with respect to the proposed amendments. Mr. Feeney further indicated that the amendments would establish a consistent standard between Rules 91.803 and 91.808.

After a short discussion, Mr. Tuma moved to recommend that the Commission adopt the proposed amendments to **7 TAC Section 91.808** as previously published in the *Texas Register*. Mr. Janacek seconded the motion and the motion was unanimously adopted.

(b) Discussion of and Possible Vote to Recommend that the Credit Union Commission Approve the Department's Legislative Recommendations and Authorize its Submission for Possible Consideration during the 83rd Regular Session of the Legislature. Commissioner Feeney reported that as required by Sections 15.103 and 15.405 of the Finance Code, the Department is required to periodically study the Credit Union Act and report its recommendations to the Legislature for consideration. He indicated that staff had completed its study and highlighted the substantive provisions of the proposed recommended changes.

The Chairman opened the floor for public testimony on the proposed recommendations.

Melodie Durst – Executive Director, Credit Union Coalition of Texas.

Mrs. Durst thanked the Department for taking the Coalition's suggestions into consideration and indicated the Coalition would support the proposal as currently drafted.

Mr. Janacek questioned whether the issue regarding the limitation on the number of advisory/honorary directors that a credit union may appoint had been addressed in the proposal. Commissioner Feeney responded that the suggestion made at the last meeting to remove the limitation was considered but, at this time, staff was not recommending a change. He indicated that the issue was more complicated than just eliminating a restriction and that further research was needed.

After a short discussion, Mr. Tuma moved to recommend that the Commission approve the Department's Legislative Recommendations and authorize its submission for possible consideration during the 83rd Regular Session of the Legislature. Mr. Janacek seconded the motion and the motion was unanimously adopted.

Commissioner Feeney suggested that the Committee may want to group the next two agenda items into one motion. There were no objections.

D. NEW BUSINESS

(a) Discussion of and Possible Vote to Recommend that the Credit Union Commission Readopt 7 TAC Section 91.7000 Concerning Certificates of Indebtedness.

(b) Discussion of and Possible Vote to Recommend that the Credit Union Commission Readopt 7 TAC Section 91.8000 Concerning Discovery of Confidential Information.

Commissioner Feeney noted that as required by Section 2001.39 of the Government Code, staff reviewed Rules 91.7000 and 91.8000. He indicated that staff believes that the reasons for adopting both rules continue to exist and that neither rule needs to be modified at this time.

After a brief discussion, Mr. Janacek moved to recommend that the Commission find that the reasons for adopting Rules 91.7000 and 91.8000 continue to exist and that the rules be readopted without change. Mr. Tuma seconded the motion and the motion was unanimously adopted.

(c) Discussion of and Possible Vote to Approve the Department's 2013-2016 Rule Review Plan as Required by Section 2001.039, Government Code. Commissioner Feeney noted that Section 2001.39, Government Code, requires a state agency to review every rule not later than the fourth anniversary of the date on which the rule took effect and every four years after that date. In accordance with that requirement, staff has developed a new 4-year plan under which the Commission will review all of its existing rules.

After a short discussion, Mr. Janacek moved to recommend that the Commission adopt the proposed 2013-2016 Rule Review Plan. Mr. Tuma seconded the motion and the motion was unanimously adopted.

(d) Discussion of and Possible Vote to Recommend to the Credit Union Commission that the Committee Meet only when there are New or Potentially Contentious Rules or Amendments to be Considered and that Non-Substantive Action on Rules may be brought directly to the Commission without Committee Recommendation. Commissioner Feeney noted that the Committee had just recommended the adoption of a new 4-year rule review plan.

At this point, however, staff does not envision that there will be a need for substantive revisions for many of the existing rules. He suggested that the Committee may want to consider migrating from its existing regular meeting schedule to an “as needed” schedule.

After a brief discussion, Mr. Janacek moved to recommend to the Commission that the Committee meet only when there are new or potentially contentious rules or amendments to be considered and that non-substantive action on rules may be brought by staff directly to the Commission without Committee recommendation. Mr. Tuma seconded the motion and the motion was unanimously adopted.

ADJOURNMENT -- There being no other items to come before the Committee, and without objection, the meeting was adjourned at 1:23 p.m.

Rob Kyker
Chairman

Isabel Velasquez
Recording Secretary

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