



**DEPARTMENT OF BUSINESS AND INDUSTRY  
OFFICE OF THE DIRECTOR**

June 20, 2012

Assemblywoman Irene Bustamante Adams, Chairwoman  
Sunset Subcommittee of the Legislative Commission  
401 S. Carson Street  
Carson City, NV 89701-4747

RE: Credit Union Advisory Council

Dear Chairwoman Bustamante Adams:

At its March 27, 2012 meeting, the Sunset Subcommittee heard testimony regarding the Credit Union Advisory Council ("Council"), including testimony concerning the Council's statutory relationship with the Financial Institutions Division of the Department of Business & Industry. Chiefly, concerns were expressed that regulated industries, such as credit unions, should not directly or indirectly supervise their regulator, such as the Financial Institutions Division. The Committee also heard testimony regarding the Council's meeting schedule and activities in recent years, as well as whether the Council members should forego its statutory \$60 daily salary.

Since the March 27 meeting, I have had the opportunity to confer with representatives of the Nevada Credit Union League ("League") regarding the above items. There is consensus in recommending to the Committee the below proposed statutory revisions regarding the Council's relationship with the Financial Institutions Division:

**NRS 678.250 Administration of chapter; regulations of Commissioner.** The Commissioner shall administer the provisions of this chapter, subject to administrative supervision by the Director ~~and the Credit Union Advisory Council.~~

**NRS 678.270 Powers of Commissioner concerning regulations and legal actions.** The Commissioner may:

1. Adopt regulations, subject to the advice ~~and consent~~ of the Credit Union Advisory Council, establishing chartering, supervisory and examination fees; and
2. Cause appropriate legal action to be taken in the district court of any county to secure an injunction or order restraining a violation of this chapter.

Concerning the Council's meetings, currently

The meetings of the Advisory Council may be held at such times and places as the Chair or Commissioner determines and may be held regularly at least once every 6 months. *NRS 678.290(5).*

The League has expressed an interest in maintaining meetings of the Council twice per year. Retaining the existing statutory language should comport with the League's interests and provide flexibility to the Council in setting its meeting schedule. The Department would be supportive of retaining the existing statutory language to allow for such.

EXHIBIT G – SUNSET SUBCOMMITTEE  
Document consists of 2 pages.  
Entire Exhibit Provided.  
Meeting Date: 06-25-12

Concerning the Council members' salaries, the League previously testified that the Council members should forego the statutory "salary of \$60 for each day's attendance at a meeting of the Council." *NRS 678.290(6)*. However, the Department would support retention of the daily salary to compensate members for the costs of transportation to and from the meetings and similar per diem type expenses.

In closing, I trust the above information is helpful to the Subcommittee in its upcoming deliberations regarding the Credit Union Advisory Council. Please do not hesitate to contact me if there are questions or additional information needs.

Cordially,

*Terry Johnson*

TERRY JOHNSON  
Director

cc: Melissa Ameluxen, Director of State Government Affairs, Nevada Credit Union League  
George Burns, Commissioner, Financial Institutions Division