



**MOUNTAIN WEST**  
Credit Union Association

## **YES on HB22-1277** **“Authorize Credit Unions to Hold Public Money”**

### ***Why it’s time to update Colorado laws and allow local governments to work with credit unions in the communities***

Currently, the State of Colorado, local governments, including municipalities, counties, special districts, and schools cannot use the products and services of credit unions. That means these stewards of Colorado tax dollars are not able to work with and utilize the financial benefits of credit unions.

### ***It’s time to update this out-of-date state law and level the playing field!***

Colorado schools, towns, fire districts and other local governments should be able to have the choice to utilize the member-focused, community-based services offered by credit unions.

### ***Why are credit unions a good choice for Colorado’s local governments?***

Colorado’s credit unions are member-owned, cooperative, not-for-profit financial institutions based in many of our communities.

- ✓ Part of being cooperative, not-for-profits, credit unions share earnings with their members through higher yields on savings and lower interest on loans. Members also have a say in their credit union’s operations.

For generations, credit unions have been deeply rooted in Colorado communities. Many credit unions were founded by people with a common interest like teachers, farmers and ranchers, and service members and their families. Because of strong local ties credit unions invest heavily in their members and their communities.

### **Credit Unions in Colorado**



**77 Credit Unions**  
with **312 Branches**



**Serve More Than 2.1**  
**Million Members**



**Contributed More than \$3.2**  
**Billion to State Economy**



**Have Created More Than**  
**16,000 Jobs**

In 2020 alone, Colorado credit unions paid \$146.6 million in federal and state taxes.

- ✓ Credit Unions pay sales and property taxes to their local communities, while providing jobs and paying employment taxes for thousands of Coloradans.
- ✓ Not-for-profit status does not require credit unions to pay corporate income tax.

Provisions in state law prevent credit unions from offering the same benefits of membership and financial services to the public sector. The law prohibits municipalities, county governments, school districts and other government entities from depositing funds in credit unions or using credit unions for loans, leases and other financings.

- ✓ MWCUA believes there is no longer a sound reason to bar credit unions from holding the public sector's tax revenue.
- ✓ Colorado's credit unions comply with the same rigorous financial standards and state regulations as banks.
- ✓ Credit unions face the same requirements for covering members with deposit insurance.
- ✓ Credit unions pay every tax except for income taxes. They don't make a profit; they redistribute earnings among members, so there is no income to be taxed. Yet, credit unions carry their "local" weight in paying property taxes for local services like fire, police and schools.

***An economic study by the Credit Union National Association estimates that allowing credit unions to accept public deposits would result in as much as \$3.7 million in net financial benefits to the State of Colorado and local government entities compared to the status quo***

Local government agencies should have the option of depositing their funds with credit unions since deposit yields are often higher than most banks. Allowing this option may provide more, and sometimes better, financial options to communities.

- ✓ Making this change to Colorado law would give local governments another cost-effective option for securing the public's assets or leveraging tax dollars for police cars, fire equipment or classroom needs.

***When not-for-profit credit unions and public entities work together, the public, local governments, and the communities they represent all win.***

**Please support local choices for local governments. Please vote yes on HB22-1277**



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