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Sequence Number: 06-01-16
Rule ID(s): 6191
File Date: 6/1/16
Effective Date: 8/30/16

Proposed Rule(s) Filing Form

Proposed rules are submitted pursuant to Tenn. Code Ann. §§ 4-5-202, 4-5-207, and 4-5-229 in lieu of a rulemaking hearing. It is the intent of the Agency to promulgate these rules without a rulemaking hearing unless a petition requesting such hearing is filed within ninety (90) days of the filing of the proposed rule with the Secretary of State. To be effective, the petition must be filed with the Agency and be signed by ten (10) persons who will be affected by the amendments, or submitted by a municipality which will be affected by the amendments, or an association of ten (10) or more members, or any standing committee of the General Assembly. The agency shall forward such petition to the Secretary of State.

Pursuant to Tenn. Code Ann. § 4-5-229, any new fee or fee increase promulgated by state agency rule shall take effect on July 1, following the expiration of the ninety (90) day period as provided in § 4-5-207. This section shall not apply to rules that implement new fees or fee increases that are promulgated as emergency rules pursuant to § 4-5-208(a) and to subsequent rules that make permanent such emergency rules, as amended during the rulemaking process. In addition, this section shall not apply to state agencies that did not, during the preceding two (2) fiscal years, collect fees in an amount sufficient to pay the cost of operating the board, commission or entity in accordance with § 4-29-121(b).

Agency/Board/Commission:	Tennessee Department of Financial Institutions
Division:	Credit Union
Contact Person:	Daniel Espensen, Assistant General Counsel
Address:	Tennessee Tower, 26 th Floor, 312 Rosa L. Parks Avenue
Zip:	37243
Phone:	615-854-6177
Email:	daniel.espensen@tn.gov

Revision Type (check all that apply):

- Amendment
 New
 Repeal

Rule(s) Revised (ALL chapters and rules contained in filing must be listed here. If needed, copy and paste additional tables to accommodate multiple chapters. Please enter only ONE Rule Number/Rule Title per row)

Chapter Number	Chapter Title
0180-25	Rules Pertaining to the Assessment of the Annual Credit Union Supervision Fee
Rule Number	Rule Title
0180-25-.01	Annual Credit Union Supervision Fee

Chapter Number	Chapter Title
Rule Number	Rule Title

(Place substance of rules and other info here. Statutory authority must be given for each rule change. For information on formatting rules go to http://sos.tn.gov/sites/default/files/forms/Rulemaking_Guidelines_August2014.pdf)

Repeal

Chapter 0180-25
Rules Pertaining to the Assessment of the Annual Credit Union Supervision Fee

Chapter 0180-25 Rules Pertaining to the Assessment of the Annual Credit Union Supervision Fee is repealed in its entirety.

Authority: T.C.A. §§ 45-1-107, 45-4-1001 and 45-4-1002.

Rule 0180-25-.01 Annual Credit Union Supervision Fee is repealed in its entirety.

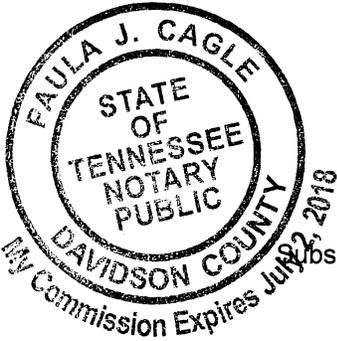
Authority: T.C.A. §§ 45-1-107, 45-4-1001 and 45-4-1002.

A copy of the present rules to be repealed is attached hereto as Attachment 1.

* If a roll-call vote was necessary, the vote by the Agency on these rules was as follows:

Board Member	Aye	No	Abstain	Absent	Signature (if required)
Not applicable					

I certify that this is an accurate and complete copy of proposed rules, lawfully promulgated and adopted by the Commissioner of the Tennessee Department of Financial Institutions on 5/18/16, and is in compliance with the provisions of T.C.A. § 4-5-222. The Secretary of State is hereby instructed that, in the absence of a petition for proposed rules being filed under the conditions set out herein and in the locations described, he is to treat the proposed rules as being placed on file in his office as rules at the expiration of ninety (90) days of the filing of the proposed rule with the Secretary of State.



Date: 5/18/16

Signature: Greg Gonzales

Name of Officer: Greg Gonzales

Title of Officer: Commissioner

Subscribed and sworn to before me on: 5/18/16

Notary Public Signature: Paula J. Cagle

My commission expires on: 07/02/2018

All proposed rules provided for herein have been examined by the Attorney General and Reporter of the State of Tennessee and are approved as to legality pursuant to the provisions of the Administrative Procedures Act, Tennessee Code Annotated, Title 4, Chapter 5.

Herbert H. Slattery III
Herbert H. Slattery III
Attorney General and Reporter
5/24/2016
Date

Department of State Use Only

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SECRETARY OF STATE
PUBLICATIONS

Filed with the Department of State on: 6/1/16

Effective on: 8/30/16

Tre Hargett
Tre Hargett
Secretary of State

Regulatory Flexibility Addendum

Pursuant to T.C.A. §§ 4-5-401 through 4-5-404, prior to initiating the rule making process as described in T.C.A. § 4-5-202(a)(3) and T.C.A. § 4-5-202(a), all agencies shall conduct a review of whether a proposed rule or rule affects small businesses.

The repeal of Chapter 0180-25 and Rule 0180-25-.01 will not result in any change to the regulated activities of state-chartered credit unions.

Impact on Local Governments

Pursuant to T.C.A. §§ 4-5-220 and 4-5-228 “any rule proposed to be promulgated shall state in a simple declarative sentence, without additional comments on the merits of the policy of the rules or regulation, whether the rule or regulation may have a projected impact on local governments.” (See Public Chapter Number 1070 (<http://state.tn.us/sos/acts/106/pub/pc1070.pdf>) of the 2010 Session of the General Assembly)

The repeal of Chapter 0180-25 and Rule 0180-25-.01 will not have any impact on local governments.

Additional Information Required by Joint Government Operations Committee

All agencies, upon filing a rule, must also submit the following pursuant to T.C.A. § 4-5-226(i)(1).

- (A)** A brief summary of the rule and a description of all relevant changes in previous regulations effectuated by such rule;

Public Chapter 241 of the Acts of 2015, effective April 24, 2015, amended T.C.A. § 45-4-1002, most significantly by establishing a new formula for determining the annual supervision fee that the Department assesses to state-chartered credit unions. Rule 0180-25-.01 sets forth processes and procedures for assessing and collecting that annual supervision fee. Public Chapter 241 incorporated certain language from Rule 0180-25-.01 pertaining to those processes and procedures into T.C.A. § 45-4-1002 and made several other substantive amendments. As a result, Public Chapter 241 rendered each provision of Chapter 0180-25 and Rule 0180-25-.01 ineffective and/or unnecessary.

- (B)** A citation to and brief description of any federal law or regulation or any state law or regulation mandating promulgation of such rule or establishing guidelines relevant thereto;

T.C.A. §§ 45-5-101 et seq., Uniform Administrative Procedures Act (UAPA), establishes provisions for rulemaking for Tennessee agencies; T.C.A. § 45-1-107 grants the commissioner of the Department of Financial Institutions power to enact reasonable substantive and procedural rules to carry out the purpose of any and all chapters within the commissioner's regulatory authority as conferred by law.

- (C)** Identification of persons, organizations, corporations or governmental entities most directly affected by this rule, and whether those persons, organizations, corporations or governmental entities urge adoption or rejection of this rule;

Although this chapter and rule apply to state-chartered credit unions, their repeal will not significantly impact any such institution, because, due to the enactment of Public Chapter 241, (i) various material operative provisions of this chapter and rule have been substantially incorporated into T.C.A. § 45-4-1002 (with modifications in certain instances) and (ii) each provision of this rule and chapter became ineffective and/or unnecessary. State-chartered credit unions are not likely to object to this repeal, as its impact is insignificant.

- (D)** Identification of any opinions of the attorney general and reporter or any judicial ruling that directly relates to the rule;

There are no known attorney general opinions that directly relate to this rule.

- (E)** An estimate of the probable increase or decrease in state and local government revenues and expenditures, if any, resulting from the promulgation of this rule, and assumptions and reasoning upon which the estimate is based. An agency shall not state that the fiscal impact is minimal if the fiscal impact is more than two percent (2%) of the agency's annual budget or five hundred thousand dollars (\$500,000), whichever is less;

As each provision of this rule and chapter was rendered ineffective and/or unnecessary by the enactment of Public Chapter 241, the Department estimates that there will be no probable increase or decrease in state and local government revenues and expenditures resulting from the repeal of this rule and chapter.

- (F)** Identification of the appropriate agency representative or representatives, possessing substantial knowledge and understanding of the rule;

Tina G. Miller, Deputy Commissioner; Daniel Espensen, Assistant General Counsel

- (G)** Identification of the appropriate agency representative or representatives who will explain the rule at a scheduled meeting of the committees;

Tina G. Miller, Deputy Commissioner; Daniel Espensen, Assistant General Counsel

(H) Office address, telephone number, and email address of the agency representative or representatives who will explain the rule at a scheduled meeting of the committees; and

Tina G. Miller, Deputy Commissioner
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(I) Any additional information relevant to the rule proposed for continuation that the committee requests.

None

Attachment 1

Copy of 0180-25

**RULES
OF THE
TENNESSEE DEPARTMENT OF FINANCIAL INSTITUTIONS**

**CHAPTER 0180-25 RULES PERTAINING TO THE ASSESSMENT OF THE ANNUAL CREDIT UNION
SUPERVISION FEE**

TABLE OF CONTENTS

0180-25-.01. Annual Credit Union Supervision Fee.

0180-25-.01. ANNUAL CREDIT UNION SUPERVISION FEE.

(1) Each credit union shall pay an annual supervision fee into the state treasury upon notice from the commissioner. All monies so collected by the commissioner shall be used in the administration of the Department of Financial Institutions and for no other purpose.

(2) The supervision fee shall be assessed against each credit union on a graduated scale in proportion to its assets, as reported on the credit union's June 30 Statement of Financial Condition (commonly known as the June 30 call report), according to the schedule set out in *T.C.A. § 45-4-1002*. The department's budget is accounted for on a fiscal year basis, July 1 through June 30. Any credit union that is a state credit union on the first day of a fiscal year shall pay the full credit union supervision fee for that fiscal year. The supervision fee shall not be prorated for any reason.

(3) Unless credit unions are notified otherwise by the department, the department shall send each credit union or its successor, notice of the credit union's supervision fee in December of the fiscal year in which the fee is being collected. The credit union shall pay this supervision fee within 30 days of receipt of the notice in order to avoid being assessed a late charge, as provided for in *T.C.A. § 45-4-1002(c)(2)*. Notice of the supervision fee shall be given at the time a credit union merges, dissolves, liquidates or converts its charter, or at the time any other application is approved or any process completed that will result in a credit union ceasing to be a state chartered credit union, and the credit union or its successor shall pay the supervision fee within 30 days of receipt of the notice to avoid being assessed a late charge.

(4) If, for any reason, a credit union that was a state credit union on July 1, did not file a June 30 Statement of Financial Condition, then the commissioner shall determine that credit union's assets for purposes of making the assessment from other sources of information.

Authority: *T.C.A. §§ 45-1-107, 45-4-1001 and 45-4-1002. Administrative History: Original rule filed February 28, 1994; effective June 28, 1994.*

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