



# Kansas Credit Union Association

*A Government Relations Division of Cornerstone*

Date: February 19, 2024

To: Chairman Mike Thompson  
Senate Committee on Federal and State Affairs

From: Michael Murray, Executive Director  
Kansas Credit Union Association

Re: SB 513 - Opponent Testimony

Mr. Chairman and Members of the Committee,

Thank you for the opportunity to offer testimony regarding SB 513. My name is Michael Murray representing the Kansas Credit Union Association. Our membership consists of 67 credit unions across the state serving over 780,000 Kansans. We advocate for the interests of those members in Topeka as well as in Washington DC. It is vitally important to credit unions and any financial institution to be able to rely on predictable and properly studied changes to statutes and regulations. More study and consideration of unintended consequences is needed before this proposal should proceed.

The concept of electronic currency backed by specie legal tender has been discussed in other states, but SB 513 would be the first of its kind, if enacted, to create a new currency under the control of one political office. This concentration of such power with one government official is concerning and could see wide disparities in the handling of the currency depending on each election cycle.

Credit unions go to great lengths to protect their consumers and are heavily regulated by the state and federal government to ensure their deposits are secure. There does not seem to be a comparable institution to the National Credit Union Administration (NCUA) to insure deposits in this proposed framework.

Adverse impacts to the Federal Reserve should also be vetted more thoroughly before changing the law. The aggregate effect of states passing similar laws could destabilize our current monetary system as we know it and inject uncertainty to any consumer who holds deposits in a credit union or a bank.

Thank you for your consideration. We request the committee sets this proposal aside for now to allow further study of unintended consequences and collaboration with affected industry to take place.