

SECOND REGULAR SESSION

# HOUSE BILL NO. 2586

103RD GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE CASTEEL.

6323H.011

JOSEPH ENGLER, Chief Clerk

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## AN ACT

To repeal sections 370.020, 370.080, and 370.200, RSMo, and to enact in lieu thereof three new sections relating to credit unions.

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*Be it enacted by the General Assembly of the state of Missouri, as follows:*

Section A. Sections 370.020, 370.080, and 370.200, RSMo, are repealed and three  
2 new sections enacted in lieu thereof, to be known as sections 370.020, 370.080, and 370.200,  
3 to read as follows:

370.020. The certificate of organization shall state:

2 (1) The name of the proposed credit union and the city, town, or village in which its  
3 business office is located;

4 (2) The names and addresses of the subscribers to the certificate, and the number of  
5 shares subscribed by each;

6 (3) A statement that organization as a credit union is desired under this particular law;

7 (4) The par value of the regular shares, which shall not exceed one hundred dollars;

8 (5) The par value of membership shares, if any, which shall not be less than [~~twenty-~~  
9 **five**] **one dollar** nor more than one hundred dollars.

370.080. 1. The membership shall consist of the organizers and such persons,  
2 societies, associations, copartnerships and corporations as have been duly elected to  
3 membership and have subscribed to one or more general shares, or one membership share  
4 and/or membership fee when required, and have paid for the same in the whole or in part,  
5 with the entrance fee as required by the bylaws, and have complied with such other  
6 requirements as the certificate of organization may contain.

EXPLANATION — Matter enclosed in bold-faced brackets [~~thus~~] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

7           2. A credit union shall be composed of one or more groups of persons. The members  
8 of each such individual group must share:

9           (1) A common occupation, association, employer or;

10           (2) A geographic area which may include all those persons who reside or work in a  
11 city not within a county or a county, in which the main office of the credit union is located as  
12 reported on the National Credit Union Administration (NCUA) 2006 year-end 5300 call  
13 report, and counties contiguous to such areas as may be approved by the director. The  
14 director shall not allow a geographic area credit union to expand beyond counties contiguous  
15 to a city not within a county or a county in which its main office is located. The director shall  
16 not allow a credit union to expand its geographic area due to a relocation of the credit union's  
17 main office.

18           3. No individual shall be eligible for membership in a credit union on the basis of the  
19 relationship of such individual to another person who is eligible for membership in such  
20 credit union unless the individual is a member of the immediate family or household, as such  
21 terms are defined by the commission, of such person. Except as provided in section 370.340,  
22 once a person becomes a member of a credit union in accordance with this chapter, such  
23 person or organization may remain a member of such credit union until the person or  
24 organization chooses to withdraw from the membership of the credit union.

25           4. Each credit union may, at the option of the board, create one or more classes of  
26 shares which shall be known as "membership share" representing the member's ownership  
27 interest in the credit union on such terms and conditions as the board of directors may  
28 determine, not inconsistent with the bylaws, provided that each membership share shall have  
29 a par value of not less than ~~twenty-five~~ **one dollar** nor more than one hundred dollars. A  
30 membership share shall not be pledged as security on any loan.

31           5. Notwithstanding any other provisions of this chapter to the contrary, in the event of  
32 liquidation of the assets of the credit union, the membership share shall be at risk, uninsured,  
33 and shall be subordinated to the claims of all nonmembers and participate in the assets of the  
34 credit union after all creditors and holders of all other shares, and the National Credit Union  
35 Administration.

370.200. 1. The board of directors shall have the general management of the affairs,  
2 funds, and records of the corporation, and unless they shall be specifically reserved to the  
3 members or delegated to the president or operating manager, it shall be the special duty of the  
4 directors:

5           (1) To act upon applications for membership in the credit union;

6           (2) To determine, from time to time, rates of interest which shall be charged on loans;

7 (3) To fix the maximum number of shares which may be held by and the maximum  
8 amount, both secured and unsecured, which may be loaned to any one member, such  
9 limitations to apply alike to all members; and

10 (4) To have charge of the investment of funds of the credit union, other than loans to  
11 members, and to perform such other duties as the members may, from time to time, authorize.

12 2. Additionally, the board shall have the duty to:

13 (1) Authorize the employment and compensation of the chief executive officer;

14 (2) Approve an annual operating budget for the credit union;

15 (3) Declare dividends on regular shares;

16 (4) Accept and act upon resignations and determine and fill vacancies on the board of  
17 directors, credit committee, and, if the bylaws so provide, the supervisory committee until the  
18 election or appointment of qualified successors;

19 (5) Amend the bylaws except for those provisions in other sections of this chapter  
20 specifically reserved for membership action; and

21 (6) Consider an appeal of a person denied membership by the credit union.

22 3. Unless specifically prohibited by the bylaws, directors may participate in and act at  
23 any meeting of the board through the use of a telephone or other electronic means.  
24 Participation in the meeting in this manner shall constitute attendance, **and participation by**  
25 **directors in a meeting may be in any combination of in-person, telephone, or other**  
26 **electronic or virtual means, provided that all directors participating in the meeting can**  
27 **communicate simultaneously. Any action taken during such meeting shall have the**  
28 **same binding and legal effect as if the meeting were conducted in person. Votes and**  
29 **other actions taken by the directors shall be conducted by electronic means, including**  
30 **remote or online systems, provided that the board-approved procedures have been**  
31 **established to verify the identity of voting directors and to ensure the integrity of the**  
32 **process.**

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