

FIRST REGULAR SESSION

HOUSE BILL NO. 933

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE ROWLAND.

1980H.011

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To repeal sections 370.010, 370.030, 370.040, 370.340, 370.350, 370.355, and 370.358, RSMo, and to enact in lieu thereof seven new sections relating to financial institutions.

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

Section A. Sections 370.010, 370.030, 370.040, 370.340, 370.350, 370.355, and
2 370.358, RSMo, are repealed and seven new sections enacted in lieu thereof, to be known as
3 sections 370.010, 370.030, 370.040, 370.340, 370.350, 370.355, and 370.358, to read as follows:

370.010. Any seven persons, residents of the state of Missouri, may apply to the director
2 of the division of credit unions, for permission to organize a credit union by signing and
3 acknowledging [~~in triplicate~~] a certificate of organization and entering into articles of agreement,
4 in which they shall bind themselves to comply with its requirements and with all the laws, rules,
5 and regulations applicable to credit unions.

370.030. At the time of filing the certificate with the director of the division of credit
2 unions, the organizers shall submit [~~in triplicate,~~] sets of bylaws with acknowledgment of their
3 adoption by the organizers which shall provide:

4 (1) For the annual meeting, which shall take place no later than one hundred eighty days
5 following the close of the fiscal year, the manner of notification of meetings and the conduct of
6 the same, the number of members constituting a quorum and regulations as to voting;

7 (2) The number of directors, which shall not be less than five, all of whom must be
8 members, their powers and duties, together with the duties of officers elected by the board of
9 directors;

10 (3) The qualifications for membership;

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.

11 (4) The number of members of the credit committee and of the supervisory committee,
12 if elected or appointed, which shall not be less than three each, their terms of office, together
13 with their respective powers and duties;

14 (5) The conditions under which shares may be issued, transferred and withdrawn, loans
15 made and repaid, and the funds otherwise invested; **and**

16 (6) The charges, if any, which shall be made for failure to meet obligations punctually,
17 whether or not the credit union shall have the power to borrow, the method of receipting for
18 money, the manner of accumulating a reserve fund and determining a dividend.

370.040. 1. The director may approve the certificate of organization, if it is in
2 conformity with this chapter and the bylaws, if satisfied that the proposed field of operation is
3 favorable to the success of such credit union and that the standing of the proposed organizers is
4 such as to give assurance that its affairs will be properly administered.

5 2. ~~[He] The director~~ shall thereupon issue to the proposed organizers a certificate of
6 approval ~~[in triplicate, annexed respectively to the triplicates of the certificate of organization~~
7 ~~and of the bylaws. He shall retain one copy, send the second copy to the credit union, and the~~
8 ~~third copy, together with attachments, shall be filed with secretary of state].~~

9 3. Thereupon the organizers shall become and be created a corporation under the name
10 used in the certificate of organization.

11 4. At the time of the issuance of the certificate, an organization fee of five dollars shall
12 be paid to the director of revenue.

13 5. A certificate of organization so issued shall be provisional, and an examination will
14 be conducted of the credit union after six months, at division expense, and after one year of
15 operation, to determine that the credit union is a viable entity meeting minimum standards as set
16 by the director. If it is found that the credit union has not made satisfactory progress in meeting
17 minimum standards, the director may revoke the charter, dissolve the credit union, or merge it
18 with another credit union as provided in this chapter.

370.340. 1. At any regularly called meeting the members, by a two-thirds vote of those
2 present, may expel from the credit union any member thereof.

3 2. A member may withdraw from a credit union, as herein provided, by filing a written
4 notice of such intention.

5 3. The board of directors may expel a member pursuant to a written policy adopted by
6 it. Any person expelled by the board shall have the right to request a hearing before the board
7 to reconsider the expulsion.

8 4. The share balance of an expelled or withdrawing member, with any dividends credited
9 to his **or her** shares to the date of expulsion, or withdrawal, shall be paid to said member but
10 only as funds therefor become available, and, after deducting any amounts due to the credit union

11 by said member. The share balance of an expelled or withdrawing member, with any dividends
12 credited to his **or her** shares, shall be paid to such member, subject to sixty days' notice, and after
13 deducting any amounts due to the credit union by said member.

14 5. Said member, when withdrawing shares, shall have no further right in said credit
15 union or to any of its benefits, but such expulsion or withdrawal shall not operate to relieve such
16 member from any remaining liability to the credit union.

370.350. 1. At any meeting called for the purpose, notice of the purpose being contained
2 in the call, three-fourths of the membership present may vote to dissolve the credit union and
3 shall thereupon signify their consent to such dissolution in writing and shall file such consent
4 with the director of the division of credit unions attested by a majority of its officers, with a
5 statement of the names and addresses of the directors and officers duly verified.

6 2. The director of the division of credit unions shall execute ~~[in duplicate]~~ a certificate
7 to the effect that such consent and statement have been filed and that it appears therefrom that
8 the credit union has complied with this section.

9 3. ~~[Such duplicate certificate shall be filed by the credit union in the office of the~~
10 ~~secretary of state.~~

11 ~~4.]~~ The director shall then appoint the share insurer or guarantor of the credit union, or
12 other suitable person or persons, or entities, as liquidating agent, who shall proceed to liquidate
13 the credit union by procedures as defined by rules and regulations.

14 ~~[5.]~~ 4. The director of the division of credit unions is authorized to promulgate rules and
15 regulations concerning the dissolution of credit unions and, upon the termination of such credit
16 union, and upon notice to the director from his or her appointed liquidating agent, the director
17 of the division of credit unions shall notify the secretary of state of such final dissolution.

18 ~~[6.]~~ 5. No rule or portion of a rule promulgated under the authority of this chapter shall
19 become effective unless it has been promulgated pursuant to the provisions of section 536.024.

20 ~~[7.]~~ 6. The director of the division of credit unions, with the consent of another credit
21 union, may transfer the existing membership and related field of membership of a credit union
22 in dissolution to the second credit union and the liquidating agent, upon receiving notice of such
23 action, shall forward its records of the members so to be transferred to the second credit union.

24 ~~[8.]~~ 7. Notwithstanding any other provisions of this section, following a membership
25 vote to dissolve the credit union, the director of the division of credit unions, or his or her
26 appointee, may at the request of the board of directors proceed to bring about an orderly
27 dissolution of the credit union as provided in subsection 4 of this section.

370.355. 1. Upon approval by the director of the division of credit unions, articles of
2 merger or articles of consolidation shall be executed ~~[in triplicate]~~, by each credit union, by its

3 president, or a vice president, and verified by him **or her**, and with the corporate seal of each
4 credit union affixed thereto, attested by its secretary or an assistant secretary, and shall set forth:

- 5 (1) The plan of merger or plan of consolidation;
- 6 (2) The total membership of each credit union; **and**
- 7 (3) As to each credit union the number of members voting for and against the plan,
8 respectively.

9 2. If the director of the division of credit unions finds that the articles conform to law,
10 when all required taxes or fees have been paid, ~~[he]~~ **the director** shall file the same~~[-keeping~~
11 ~~one copy as a permanent record, forward a copy to the secretary of state after having issued a~~
12 ~~certificate of merger or a certificate of consolidation, and a verified copy of the certificate, to~~
13 ~~which he shall affix the other copy of the articles].~~

14 3. Upon the issuance of the certificate of merger or the certificate of consolidation by the
15 director of the division of credit unions, the merger or consolidation shall be effected.

16 ~~[4. The certificate of merger with a copy of the articles of merger affixed thereto by the~~
17 ~~director of the division of credit unions, or the certificates of consolidation with the copy of the~~
18 ~~articles of consolidation and certified copy thereof, with the copy of the articles of consolidation~~
19 ~~affixed thereto by the director of the division of credit unions, shall be returned to the surviving~~
20 ~~credit union, or new credit union, as the case may be, or to its representative.]~~

370.358. 1. A credit union organized under the laws of another state may apply to the
2 director of the division of credit unions for a certificate of organization as a credit union under
3 the laws of this state and may be issued such a certificate by complying with the provisions of
4 this section.

5 2. The application shall state:

- 6 (1) The name of the credit union and the state or country under the laws of which it is
7 organized;
- 8 (2) The date of its organization and the period of its duration;
- 9 (3) The place where its business office will be located in this state;
- 10 (4) The names and address of its directors and officers;
- 11 (5) A statement of its capital and the amount of its surplus, if any; **and**
- 12 (6) Such additional information as may be necessary or appropriate in order to enable
13 the director of the division of credit unions to determine whether the credit union should be
14 issued a certificate of organization.

15 3. The application shall be executed ~~[in triplicate]~~ by the credit union by its president or
16 a vice president and verified by him **or her**.

17 4. There shall be delivered to the director of the division of credit unions with the
18 application a copy of its certificate of organization in the state in which it is organized, and all

19 amendments thereto and a copy of its bylaws and amendments duly authenticated by the proper
20 officer of the state or country where it was organized. There shall also be submitted a statement
21 similarly authenticated that the credit union is in good standing in the state or country.

22 5. (1) When the application is filed in conformity with the foregoing sections and the
23 same fee paid to the director of the division of credit unions as would be paid by applicants for
24 organization of a credit union in Missouri, the director of the division of credit unions, if he **or**
25 **she** finds the application is in conformity herewith, may issue a certificate of organization
26 creating the credit union as a Missouri corporation pending cancellation of its charter in the state
27 in which it is organized, but having a duration of ninety days. A copy of the certificate shall be
28 filed in the office of the secretary of state.

29 (2) When the director of the division of credit unions receives a certificate duly
30 authenticated by the proper officer of the state or country where it was organized that the credit
31 union's charter in that state has been cancelled, then ~~he~~ **the director** shall issue a certificate of
32 approval as provided for in subsection 2 of section 370.040.

33 (3) Thereafter, the provisions of subsections 2, 3 and 4 of section 370.040 shall be
34 followed in organizing the credit union as a Missouri corporation.

35 6. Any credit union organized under the laws of this state and in good standing may
36 transfer its charter to another state or country by complying with the following requirements:

37 (1) The proposition for the transfer shall first be approved by the board of directors of
38 the credit union and a date set for a vote thereon by the members. Written notice of the
39 proposition to transfer and of the date of the members' meeting to vote on the same shall be
40 mailed to each member at the member's address as it appears on the credit union records, not
41 more than thirty nor less than seven days prior to the date. Approval of the proposition to
42 transfer shall be by the affirmative vote of a majority of the members voting in person or by a
43 written ballot filed with the credit union secretary on or before the date of the meeting. The
44 board of directors may prescribe the form of the ballot and the procedure for its use.

45 (2) An application for the transfer shall be filed with the director of the division of credit
46 unions with a statement of the results of the vote of the meeting verified by the affidavits of the
47 president or vice president and the secretary of the credit union within ten days after the date of
48 the meeting.

49 (3) The transfer of the credit union to another state or country shall be subject to the
50 approval of the director of the division of credit unions.

51 (4) After the application and approval, there shall be filed with the director of the
52 division of credit unions a written certificate duly authenticated by the official of another state
53 or country in charge of issuing credit union charters stating that upon cancellation of the charter

54 of the Missouri credit union it will be organized as a credit union in the state or country with all
55 of the rights of its members unimpaired.

56 (5) When the foregoing provisions are complied with the director of the division of credit
57 unions may issue a certificate of cancellation of the credit union charter, a copy of which shall
58 be filed with the secretary of state.

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