

Chapter 311

(Senate Bill 980)

AN ACT concerning

Credit Unions – Boards of Directors – Electronically Conducted Elections

FOR the purpose of authorizing the election of the board of directors of a credit union to be conducted electronically under certain circumstances; requiring the secretary of a credit union, for an election of directors conducted electronically, to provide certain information and a certain identification form to certain members of the credit union as provided in regulations adopted by the Commissioner of Financial Regulation; requiring the Commissioner to establish by regulation procedures for conducting an election of directors electronically; making certain conforming and stylistic changes; and generally relating to elections of the board of directors of a credit union.

BY repealing and reenacting, with amendments,

Article – Financial Institutions

Section 6–329(a), (d), and (f)

Annotated Code of Maryland

(2003 Replacement Volume and 2010 Supplement)

BY adding to

Article – Financial Institutions

Section 6–329(i)

Annotated Code of Maryland

(2003 Replacement Volume and 2010 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article – Financial Institutions

6–329.

(a) Subject to the provisions of this section, the directors may be elected exclusively by mail ballot **OR ELECTRONICALLY IN ACCORDANCE WITH REGULATIONS ADOPTED BY THE COMMISSIONER**, if:

(1) The board of the credit union, by resolution posted conspicuously at the principal office of the credit union at least 90 days before the annual meeting of the members of the credit union, [authorize] **AUTHORIZES** the election of directors exclusively by mail ballot **OR ELECTRONICALLY**; or

(2) (i) The bylaws provide for the election of directors exclusively by mail ballot **OR ELECTRONICALLY**; and

(ii) Notice of the election and the annual meeting is posted conspicuously at the principal office of the credit union at least 90 days **[prior to]** **BEFORE** the date of the annual meeting.

(d) (1) When only one member is nominated for a position to be filled, the chairman may:

(i) Take a voice vote; or

(ii) Declare the nominee elected by general consent or acclamation at the annual meeting.

(2) If the nominations of the nominating committee and any petitioners provide more than one nominee for each directorship to be filled, the secretary:

(I) FOR AN ELECTION OF DIRECTORS CONDUCTED BY MAIL BALLOT, shall mail to each member in good standing, at least 20 days before the annual meeting:

[(i)] 1. A printed ballot, clearly identified as a ballot, on which appears the name of each nominee, in alphabetical order, and on which, in the form that the board approves, may appear after a nominee's name:

[1.] A. A brief statement of the nominee's qualifications and biographical information; and

[2.] B. If applicable, a notation that the nominee is the incumbent;

[(ii)] 2. A postage prepaid and preaddressed envelope clearly marked with instructions to place the completed ballot and the identification form in the envelope and seal the envelope; and

[(iii)] 3. An identification form to be completed to include the name, address, signature, and credit union account number of the voter; **AND**

(II) FOR AN ELECTION OF DIRECTORS CONDUCTED ELECTRONICALLY, SHALL PROVIDE THE INFORMATION AND IDENTIFICATION FORM REQUIRED UNDER ITEM (I) OF THIS PARAGRAPH AS PROVIDED IN REGULATIONS ADOPTED BY THE COMMISSIONER.

(3) One form may be printed **OR PROVIDED ELECTRONICALLY** that represents a combined ballot and identification form.

(f) The tellers of an election may not count a ballot unless it is:

(1) Mailed **OR ELECTRONICALLY SUBMITTED** to the tellers; and

(2) Received by the tellers not later than midnight of the 7th day before the date of the annual meeting.

(I) THE COMMISSIONER SHALL ESTABLISH BY REGULATION PROCEDURES FOR CONDUCTING AN ELECTION OF DIRECTORS ELECTRONICALLY, INCLUDING PROCEDURES FOR:

(1) PROVIDING NOTICE OF THE ELECTION TO EACH MEMBER IN GOOD STANDING;

(2) PROVIDING THE INFORMATION AND IDENTIFICATION FORM SPECIFIED IN SUBSECTION (D)(2)(I)1 OF THIS SECTION;

(3) PROVIDING INSTRUCTIONS ON HOW TO ACCESS AND USE THE ELECTRONIC ELECTION SYSTEM; AND

(4) ALLOWING A MEMBER TO OPT OUT OF USING THE ELECTRONIC ELECTION SYSTEM AND VOTE BY MAIL BALLOT.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2011.

Approved by the Governor, May 10, 2011.