

HOUSE BILL 1049

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6lr1924
CF SB 783

By: **Delegate Crosby**

Introduced and read first time: February 9, 2026

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Credit Unions – Mergers and Consolidations – Alteration of Voting Requirement**

3 FOR the purpose of authorizing a majority of the board of a surviving credit union to
4 approve a proposed merger without the affirmative vote of a majority of the members
5 of the surviving credit union, subject to certain requirements; and generally relating
6 to credit union mergers and consolidations.

7 BY repealing and reenacting, without amendments,
8 Article – Financial Institutions
9 Section 6–803(a) and (b)(1)
10 Annotated Code of Maryland
11 (2020 Replacement Volume and 2025 Supplement)

12 BY repealing and reenacting, with amendments,
13 Article – Financial Institutions
14 Section 6–803(d) through (g)
15 Annotated Code of Maryland
16 (2020 Replacement Volume and 2025 Supplement)

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

19 **Article – Financial Institutions**

20 6–803.

21 (a) (1) In this section the following words have the meanings indicated.

22 (2) “Merging credit union” means a credit union that is absorbed or
23 acquired by another credit union in a merger and ceases to exist after the merger.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(3) "New credit union" means a credit union that is created when two or more credit unions consolidate to form a newly created credit union.

(4) "Surviving credit union" means a credit union that absorbs or acquires another credit union in a merger and continues to exist after the merger.

(b) (1) (i) With the approval of the Commissioner, any credit union may merge or consolidate as provided in this section.

(ii) A merger or consolidation under this section may be with a credit union organized under the laws of the United States, this State, or any other state.

(d) (1) A majority of the board of each credit union proposing a [merger or] consolidation shall:

[(1)] (I) Adopt a resolution that declares that the [merger or] consolidation is advisable; and

[(2)] (II) Set a date for a vote on the proposed [merger or] consolidation by the members of each credit union party to the [merger or] consolidation at any annual or special meeting of the membership or by mail ballot to be filed on or before that date.

(2) (I) A MAJORITY OF THE BOARD OF EACH CREDIT UNION PROPOSING A MERGER SHALL ADOPT A RESOLUTION THAT DECLARES THAT THE MERGER IS ADVISABLE;

(II) A MAJORITY OF THE BOARD OF EACH MERGING CREDIT UNION PROPOSING THE MERGER SHALL SET A DATE FOR A VOTE ON THE PROPOSED MERGER BY THE MEMBERS OF EACH MERGING CREDIT UNION AT ANY ANNUAL OR SPECIAL MEETING OF THE MEMBERSHIP OR BY MAIL BALLOT TO BE FILED ON OR BEFORE THAT DATE; AND

(III) A MAJORITY OF THE BOARD OF THE SURVIVING CREDIT UNION PROPOSING THE MERGER MAY SET A DATE FOR A VOTE ON THE PROPOSED MERGER BY THE MEMBERS OF THE SURVIVING CREDIT UNION AT ANY ANNUAL OR SPECIAL MEETING OF THE MEMBERSHIP OR BY MAIL BALLOT TO BE FILED ON OR BEFORE THAT DATE.

(e) The Commissioner, at the request of [the] A board, may:

(1) Waive the vote of the members; and

(2) Substitute any reasonable method of determining the approval by the members.

(f) (1) [The merger or] A consolidation shall be in accordance with a plan that:

[(1)] (I) States the field of membership type that the [surviving or] new credit union will have;

[(2)] (II) Is agreed to by a majority of the board of each credit union party to the [merger or] consolidation; and

[(3)] (III) Unless provided otherwise by the Commissioner, is approved by the members of each credit union party to the [merger or consolidation,] CONSOLIDATION by the affirmative vote of a majority of the members of each credit union party to the [merger or] consolidation who vote on the proposal.

(2) A MERGER SHALL BE IN ACCORDANCE WITH A PLAN THAT:

(I) STATES THE FIELD OF MEMBERSHIP TYPE THAT THE SURVIVING CREDIT UNION WILL HAVE;

(II) IS AGREED TO BY A MAJORITY OF THE BOARD OF EACH CREDIT UNION PARTY TO THE MERGER; AND

(III) UNLESS PROVIDED OTHERWISE BY THE COMMISSIONER, IS APPROVED BY THE MEMBERS OF EACH MERGING CREDIT UNION PARTY TO THE MERGER BY THE AFFIRMATIVE VOTE OF A MAJORITY OF THE MEMBERS OF EACH MERGING CREDIT UNION PARTY TO THE MERGER WHO VOTE ON THE PROPOSAL.

(g) (1) [After] UNLESS CONSISTENT WITH THIS SECTION THE APPROVAL BY THE MEMBERS IS BOTH NOT REQUIRED AND NOT OBTAINED, AFTER agreement by the board and approval by the members of each credit union party to the merger or consolidation, two officers of each credit union party to the merger or consolidation shall execute a certificate of merger or consolidation.

(2) The certificate of merger or consolidation shall include as to each credit union party to the merger or consolidation:

(i) The time and place of the meeting of the board at which the plan was agreed to;

(ii) The vote by which the plan was agreed to by the board;

(iii) A copy of the resolution or other action by which the plan was agreed to by the board; AND

(iv) UNLESS CONSISTENT WITH THIS SECTION THE APPROVAL BY THE MEMBERS IS BOTH NOT REQUIRED AND NOT OBTAINED:

1 **1.** The date on or by which the plan was approved by the
2 members of each credit union; and

3 [(v)] **2.** Unless provided otherwise by the Commissioner, the vote
4 by which the plan was approved by the members of each credit union.

5 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
6 October 1, 2026.