

SENATE BILL 783

I1

(6lr1932)

ENROLLED BILL
— *Finance/Economic Matters* —

Introduced by **Senator Jackson**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

President.

CHAPTER _____

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

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.

Italics indicate opposite chamber/conference committee amendments.



1 Section 6–803(d) through (g)
2 Annotated Code of Maryland
3 (2020 Replacement Volume and 2025 Supplement)

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

6 **Article – Financial Institutions**

7 6–803.

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

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

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

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

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

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

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

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

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

26 **(2) (I) A MAJORITY OF THE BOARD OF EACH CREDIT UNION**
27 **PROPOSING A MERGER SHALL ADOPT A RESOLUTION THAT DECLARES THAT THE**
28 **MERGER IS ADVISABLE².**

29 **(II) A MAJORITY OF THE BOARD OF EACH MERGING CREDIT**
30 **UNION PROPOSING THE MERGER SHALL SET A DATE FOR A VOTE ON THE PROPOSED**
31 **MERGER BY THE MEMBERS OF EACH MERGING CREDIT UNION AT ANY ANNUAL OR**

1 SPECIAL MEETING OF THE MEMBERSHIP OR BY MAIL BALLOT TO BE FILED ON OR
2 BEFORE THAT DATE;~~AND.~~

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

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

9 (1) Waive the vote of the members; and

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

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

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

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

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

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

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

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

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

30 (g) (1) [After] UNLESS CONSISTENT WITH THIS SECTION THE APPROVAL
31 BY THE MEMBERS IS BOTH NOT REQUIRED AND NOT OBTAINED, AFTER agreement by

1 the board and approval by the members of each credit union party to the merger or
2 consolidation, two officers of each credit union party to the merger or consolidation shall
3 execute a certificate of merger or consolidation.

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

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

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

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

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

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

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

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

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.