

## **Expulsion of Credit Union Members; Terms of Service for Members of the Credit Union Council; SB 275**

**SB 275** amends provisions in law relating to the expulsion of credit union members and the terms of service for members of the Credit Union Council (Council).

### ***Authorization and Notice of Expulsion***

The bill authorizes the president, general manager, or any other credit union employee designated by the board of directors to expel a credit union member from the credit union under certain circumstances. The bill specifies a member can be expelled for failure to comply with the credit union's adopted policy regarding expulsion. The bill requires the president or general manager to report such expulsion at the next regularly scheduled board meeting.

Additionally, the bill eliminates the requirement that the board of directors provide notice to the member not less than 30 days prior to the effective date of the member's expulsion from the credit union. The bill also eliminates the appeals process before the credit union membership. The bill instead requires the expelled member to be informed of the reason for expulsion, and the expelled member is permitted to appeal the expulsion to the board of directors within 30 days of the expulsion.

### ***Credit Union Council—Terms of Service***

The bill specifies a Council member cannot serve more than two consecutive full three-year terms. The bill requires the Governor, in the event of vacancy on the Council, to appoint a new member to fill the unexpired term, but this mid-term appointment of a new Council member is not considered a full term for purposes of the two-term limit. The bill also deletes language relating to the original appointment of Council members.