

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND TWENTY-ONE

—
S.P. 426 - L.D. 1320

An Act To Allow Maine Shareholders of Banks and Members and Corporators of Credit Unions To Hold Virtual Meetings

Emergency preamble. Whereas, acts and resolves of the Legislature do not become effective until 90 days after adjournment unless enacted as emergencies; and

Whereas, under current law, banks and credit unions chartered in this State are prohibited from holding annual and special meetings remotely and from authorizing participation in a meeting by means of remote communication; and

Whereas, complying with this requirement during the COVID-19 pandemic has been difficult; and

Whereas, this legislation makes clear that all banks and credit unions chartered in this State may hold meetings remotely and authorize shareholders, members or corporators of those banks and credit unions to participate in annual and special meetings by means of remote communication; and

Whereas, it is important this legislation take effect as soon as possible so that banks and credit unions may hold meetings remotely and authorize shareholders, members or corporators of those banks and credit unions to participate in annual and special meetings by means of remote communication as the COVID-19 pandemic continues; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 9-B MRSA §325, sub-§3, ¶E, as enacted by PL 1975, c. 500, §1, is amended to read:

E. Meetings of the corporators or members ~~shall~~ must be held at the institution's principal office, ~~or~~ at such other place in the area of this State served by the institution as the notice ~~shall designate~~ designates or by means of remote communication under paragraph F.

Sec. 2. 9-B MRSA §325, sub-§3, ¶F is enacted to read:

F. The board of directors may authorize, subject to guidelines and procedures as the board may adopt, a meeting of corporators or members to be conducted by means of remote communication with no fixed place or may authorize a corporator or member or holder of a proxy of a corporator or member who is not physically present at a meeting of corporators or members to join the meeting by means of remote communication. A corporator or member or holder of a proxy of a corporator or member in a meeting of corporators or members held remotely or who joins a meeting of corporators or members by means of remote communication may:

- (1) Participate in the meeting;
- (2) Be deemed present in person at the meeting; and
- (3) Vote at the meeting if the institution has implemented reasonable measures:
 - (a) To verify that a person who has joined by means of remote communication a meeting of corporators or members is a corporator, member or holder of a proxy of a corporator or member;
 - (b) To provide a corporator, member or holder of a proxy of a corporator or member who has joined by means of remote communication a meeting of corporators or members a reasonable opportunity to participate in the meeting and to vote on matters submitted to the corporators and members, including an opportunity to communicate with, read and hear the proceedings, substantially concurrently with the proceedings; and
 - (c) To maintain a record of the presence of and a vote or any other action taken by a corporator, member or holder of a proxy of a corporator or a member who has joined by means of remote communication a meeting of corporators and members.

Sec. 3. 9-B MRSA §846, sub-§1, as amended by PL 2003, c. 322, §35, is further amended to read:

1. Time and notice. The annual meeting of the members of a credit union must be held at such time and place as the board of directors may determine, but not later than 180 days after the close of the fiscal year. Special meetings may be called at any time by a majority of the directors, and must be called by the clerk upon written request of 25 members or 5% of the total members entitled to vote as of the date of request, whichever number is greater. Notwithstanding this section, the maximum number of members required to call a special meeting may not exceed 500. Notice of all meetings of the members must be given in the manner prescribed in the bylaws. A credit union may adopt bylaws that allow annual and special meetings to be conducted by means of remote communication or authorize members to participate in a meeting by means of remote communication as described in section 325, subsection 3, paragraph F or Title 13-C, section 709.

Sec. 4. 9-B MRSA §872, sub-§2, as enacted by PL 1975, c. 500, §1, is amended to read:

2. Plan and adoption. The merger ~~shall~~ must be pursuant to a plan agreed upon by a majority of the board of directors of each credit union joining in the merger; and approved

by the affirmative vote of a majority of the members voting ~~in person at meetings~~, or by proxy at meetings of each credit union called for that purpose or by written consent of the majority of the members of each credit union. If permitted in the credit union's bylaws, members may vote for the merger by means of remote communication, or by mail ballot received by the credit union no later than the date and time announced for the meeting.

Sec. 5. 13-C MRSA §701, sub-§2, as enacted by PL 2001, c. 640, Pt. A, §2 and affected by Pt. B, §7, is amended to read:

2. Place. Annual shareholders' meetings may be held in or out of the State at the place stated in or fixed in accordance with a corporation's bylaws. If no place is stated in or fixed in accordance with the bylaws, annual meetings must be held at the corporation's principal office or, if authorized by the board of directors, by means of remote communication pursuant to section 709.

Sec. 6. 13-C MRSA §709, as enacted by PL 2011, c. 274, §26, is amended to read:

§709. Remote participation in annual and special meetings

1. Participation by means of remote communication. ~~Shareholders~~ A meeting of shareholders may be held by means of remote communication and shareholders of any class or series may participate in any meeting of shareholders by means of remote communication to the extent the board of directors authorizes participation for the class or series. Participation by means of remote communication is subject to guidelines and procedures adopted by the board of directors and must be in conformity with subsection 2.

2. Shareholder presence and voting. Shareholders participating in a shareholders' meeting by means of remote communication are deemed present and may vote at the meeting if the corporation has implemented reasonable measures:

A. To verify that each person participating remotely is a shareholder or holder of a proxy of a shareholder; ~~and~~

B. To provide the shareholders or holders of a proxy of a shareholder a reasonable opportunity to participate in the meeting and to vote on matters submitted to the shareholders or holders of a proxy of a shareholder, including an opportunity to communicate and to read or hear the proceedings of the meeting, substantially concurrently with the proceedings; ~~and~~

C. To maintain a record of the presence of and a vote or any other action taken by a shareholder or holder of a proxy of a shareholder who has joined by means of remote communication a meeting of shareholders.

Emergency clause. In view of the emergency cited in the preamble, this legislation takes effect when approved.