

On July 6, 2020, Governor Parson signed [Senate Bill 599](#), a bill sponsored by Senator Brown and passed by the Missouri General Assembly. This bill modifies several laws relating to the administration and regulation of state-chartered credit unions. This bill became law on Aug. 28, 2020. Here are a few of the major revisions:

Credit Unions May Refuse to Make Certain Payments

A credit union may refuse to make a payment from an account to a depositor, shareholder, any trust or POD beneficiary, or any other person claiming an interest in the account if the credit union is uncertain who is entitled to receive payments from the account. In addition, a credit union can refuse payment if they have actual knowledge of a dispute among any depositors, shareholders, or other persons concerning ownership of the funds in an account. Credit unions refusing payment pursuant to this provision are not liable for damages that may occur as a result of their actions.

Delegation of Certain Board Powers

Powers subject to delegation to the president or operating manager include acting on membership applications, determining interest rates on loans, limiting the number and amount of shares loaned to any member, and having charge of credit union investments. Powers not subject to delegation include employing the CEO, approving an annual operating budget, declaring dividends on regular shares, accepting and acting on resignations, and amending bylaws.

Entrance Fees Eliminated

Credit unions were previously permitted to charge an entrance fee, not to exceed \$1.00. This provision is repealed in its entirety.

Locator Service Fees Revised

The \$5.00 per year limitation on locator service fees is removed, and credit unions are instead permitted to charge a quarterly fee.

Expulsion of Members

The board of directors, the president, or a designated executive officer may expel a credit union member pursuant to a written policy adopted by the board. An expelled member may appeal the decision pursuant to the policy.

Electronic Ballots

The use of electronic ballots is authorized in most instances.

For additional information regarding the provisions of this [bill](#), please contact our office.