

1 SB308  
2 166402-1  
3 By Senator Allen  
4 RFD: Banking and Insurance  
5 First Read: 31-MAR-15

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8 SYNOPSIS: This bill would provide that the Credit  
9 Union Board of the Alabama Credit Union  
10 Administration, in consultation with the League of  
11 Southeastern Credit Unions or its successor  
12 organization would provide a list of nominees for  
13 appointment to member positions on the Credit Union  
14 Board of the Alabama Credit Union Administration.

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16 A BILL  
17 TO BE ENTITLED  
18 AN ACT  
19

20 To amend Section 5-17-55, Code of Alabama 1975,  
21 relating to members of the Credit Union Board of the Alabama  
22 Credit Union Administration; to provide that the Credit Union  
23 Board of the Alabama Credit Union Administration, in  
24 consultation with the League of Southeastern Credit Unions or  
25 its successor organization shall provide a list of nominees  
26 for certain member positions appointed by the Governor.

27 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

1           Section 1. Section 5-17-55, Code of Alabama 1975, is  
2 amended to read as follows:

3           "§5-17-55.

4           "(a) There shall be a Credit Union Board of the  
5 Alabama Credit Union Administration which shall consist of the  
6 administrator, who shall be an ex officio member and chairman  
7 of the board, and seven other persons, appointed by the  
8 Governor, by and with the consent of the Senate, four of which  
9 shall be appointed from a list of nominees submitted by the  
10 ~~Alabama State Credit Union Legislative Forum~~ Credit Union  
11 Board of the Alabama Credit Union Administration, in  
12 consultation with the League of Southeastern Credit Unions or  
13 its successor organization, which shall submit not less than  
14 three nominees for any vacancy. Should the Governor determine  
15 that none of the first three nominees submitted by the ~~forum~~  
16 Credit Union Board for a vacancy on the Credit Union Board are  
17 acceptable, the Governor may reject the three nominees and the  
18 ~~forum~~ Credit Union Board shall submit an alternative list of  
19 three nominees to the Governor from which the Governor shall  
20 make the appointment. The remaining three appointments to the  
21 Credit Union Board shall be made by the Governor from a list  
22 of nominees submitted by credit unions at large. No person is  
23 eligible to be nominated or appointed to the Credit Union  
24 Board unless at the time of nomination or appointment, the  
25 person is an officer, director, or manager of a  
26 state-chartered credit union and has at least five years'  
27 experience in the 10 years next preceding appointment as an

1 officer, director, or manager of a credit union. The position  
2 of any member of the Credit Union Board shall be declared  
3 vacant by the Administrator of the Alabama Credit Union  
4 Administration if the member of the Credit Union Board ceases  
5 to serve as an officer, director, or manager of a credit union  
6 chartered under the laws of the State of Alabama.

7 "(b) The seven appointees by the Governor, with the  
8 consent of the Senate, shall serve for the terms designated by  
9 the Governor for each person upon appointment of the persons.  
10 Of the seven persons appointed by the Governor, with the  
11 consent of the Senate, three persons shall serve terms  
12 expiring on February 1 of the first year following passage  
13 hereof, two persons shall serve terms expiring on February 1  
14 of the second year following passage hereof and two persons  
15 shall serve terms expiring on February 1 of the third year  
16 following passage hereof. Successors shall be appointed by the  
17 Governor, with the consent of the Senate, for terms of three  
18 years each, so that the terms of two or three of the seven  
19 appointed members will expire on February 1 of each year. Upon  
20 the expiration of their terms of office, members of the board  
21 shall continue to serve until their successors are appointed  
22 and have qualified.

23 "(c) If a member of the Credit Union Board of the  
24 Alabama Credit Union Administration fails to attend regular  
25 meetings of the board for three consecutive meetings, or  
26 otherwise fails to perform the duties devolving upon him or  
27 her as a member of the Credit Union Board of the Alabama

1 Credit Union Administration, is convicted of a felony or any  
2 other crime involving moral turpitude, or ceases to be an  
3 officer, director, or manager of a credit union, the office of  
4 the member shall be declared vacant by the administrator. The  
5 office of the board member shall be deemed to be vacated on  
6 the thirty-first day after mailing of a notice to the board  
7 member that his or her position is being vacated unless the  
8 board member files an appeal with the Credit Union Board prior  
9 to the thirty-first day after mailing of notice. Except that  
10 no appeal is authorized if the member's position is declared  
11 vacant by reason of conviction of a felony or a crime  
12 involving moral turpitude.

13 "Any person who is notified that his or her position  
14 on the board has been declared vacant by the administrator  
15 may, within 30 days after mailing of the notice that the  
16 position has been declared vacant, appeal to the other members  
17 of the Credit Union Board by written notice of appeal received  
18 by the administrator within the time period.

19 "Upon a finding of good cause for the failure to  
20 attend meetings or otherwise perform duties, or upon a finding  
21 that there is a compelling reason for reinstating the member,  
22 a majority of board members may reinstate the person to the  
23 position. When the member appeals to the Credit Union Board,  
24 unless reinstated by the board within 30 days after appeal,  
25 the position on the board shall be deemed to be vacant on the  
26 thirty-first day after receipt by the administrator of the  
27 member's written notice of the appeal. The administrator shall

1 call a meeting to hear the appeal within 30 days after receipt  
2 of the notice of appeal. The board member who has received  
3 notice that the position will be declared vacant shall have  
4 the right to present at any hearing dealing with the position  
5 being declared vacant, but shall not have the right to vote on  
6 any issue until he or she is reinstated by the Credit Union  
7 Board.

8 "(d) If by reason of death, resignation, removal  
9 from office or otherwise a vacancy occurs on the Credit Union  
10 Board, the vacancy shall be filled by appointment of the  
11 Governor and the appointee shall hold office until the Senate  
12 meets and passes on the appointment. If the appointment is  
13 disapproved by the Senate, another appointment shall be made  
14 by the Governor, and appointments must be made in like manner  
15 until an appointment is confirmed by the Senate. Any person so  
16 appointed shall serve the balance of the unexpired term for  
17 which the appointment is made. The seven appointed members of  
18 the Credit Union Board shall be persons of good character.  
19 Five of the seven shall have at least five years' experience  
20 in the 10 years next preceding appointment to the Credit Union  
21 Board either as an officer, director, or manager of a credit  
22 union organized under the laws of the State of Alabama.

23 "(e) An appeal may be taken to the Credit Union  
24 Board from any finding, ruling, order, decision or the final  
25 action of the administrator by any credit union which feels  
26 aggrieved thereby. Notice of appeal shall be filed with the  
27 administrator within 30 days after the findings, ruling,

1 order, decision or other action. The notice shall contain a  
2 brief statement of the pertinent facts upon which the appeal  
3 is grounded. The Credit Union Board shall fix a date, time and  
4 place for hearing the appeal, within 60 days after it is  
5 filed, and shall notify the credit union or its attorney of  
6 record thereof at least 30 days prior to the date of the  
7 hearing. The finding of the Credit Union Board shall be  
8 strictly advisory in nature."

9 Section 2. This act shall become effective  
10 immediately following its passage and approval by the  
11 Governor, or its otherwise becoming law.