

BEFORE THE DEPARTMENT OF ADMINISTRATION
OF THE STATE OF MONTANA

In the matter of the adoption of) NOTICE OF ADOPTION OF
Temporary Emergency Rule I) TEMPORARY EMERGENCY RULE
pertaining to annual meetings held by)
banks and credit unions during the)
COVID-19 pandemic)

TO: All Concerned Persons

1. The Department of Administration is adopting Temporary Emergency Rule I for the following reasons:

A. On March 12, 2020, Governor Steve Bullock declared an emergency in the State of Montana regarding the COVID-19 pandemic in Executive Order 2-2020.

B. On March 13, 2020, President Donald J. Trump declared a national emergency due to the COVID-19 pandemic.

C. On March 13, 2020, Governor Steve Bullock extended the emergency in the State of Montana regarding the COVID-19 pandemic in Executive Order 3-2020.

D. On March 26, 2020, Governor Steve Bullock issued a Directive Implementing Executive Orders 2-2020 and 3-2020 providing measures to stay at home and designating certain essential functions until April 10, 2020.

E. On March 29, 2020, President Donald J. Trump extended the nationwide social distancing guidelines until April 30, 2020.

F. The director of the Department of Administration finds that under the emergency circumstances of the COVID-19 pandemic, there is an immediate peril to the public health, safety, and welfare requiring adoption of a rule upon fewer than 30 days' notice. Individuals showing symptoms consistent with COVID-19 are directed to avoid the workplace and follow recommendations of medical professionals and public health authorities to self-quarantine for specified periods. To the maximum extent possible, Montanans are being directed to stay at home to curtail the spread of the COVID-19 contagion. Montana state-chartered credit unions are required to hold an annual meeting in accordance with their bylaws; some of which are scheduled to be held in April. Attendees of the annual meeting are the credit union's management and staff, board of directors, credit committee, supervisory committee, and all credit union members are extended an invitation. The current model bylaws require a quorum of 50 members to be physically present and do not allow for a virtual meeting. Montana state-chartered banks are required to hold an annual meeting in accordance with their bylaws before April 15. Attendees of the annual meeting are the bank's management and staff, board of directors, and shareholders.

G. There is a reasonable necessity to immediately adopt a temporary emergency rule pursuant to 2-4-303, MCA, for banks and credit unions to protect the public health, safety, and welfare because of the emergency conditions of the COVID-19 pandemic and ensure the public has sufficient access to financial services.

2. The Department of Administration will make reasonable accommodations for persons with disabilities who need an alternative accessible format of this notice. If you require an accommodation, contact the Department of Administration to advise us of the nature of the accommodation that you need. Please contact Heather Hardman, Division of Banking and Financial Institutions, P.O. Box 200546, Helena, Montana 59620-0546; telephone (406) 841-2922; TDD (406) 841-2974; facsimile (406) 841-2930; or e-mail to banking@mt.gov.

3. The temporary emergency rule is effective April 2, 2020, when this rule notice is filed with the Secretary of State.

4. The text of the temporary emergency rule provides:

NEW RULE I VIRTUAL ANNUAL MEETINGS HELD BY BANKS AND CREDIT UNIONS DURING DECLARED EMERGENCY OR DISASTER RELATED TO COVID-19 PANDEMIC (1) This rule is only effective when there has been a declaration by the governor of an emergency or disaster related to the COVID-19 pandemic.

(2) During the period of a declaration by the governor of an emergency or disaster related to the COVID-19 pandemic, a bank or credit union may hold its annual meeting in the form of a virtual meeting. To satisfy the bank's or credit union's annual meeting requirement, a virtual meeting must be live, allow electronic or telephonic participation in the meeting in real-time, and provide simultaneous audio transmission of the meeting.

AUTH: 32-1-218, 32-3-201, MCA

IMP: 32-1-101, 32-1-211, 32-1-322, 32-3-302, 32-3-310, MCA

REASON: In addition to the rationale stated in paragraph 1, the department has received concerns from banks and credit unions regarding the difficulty of holding an in-person annual meeting while complying with the stay-at-home directive and social distancing requirements.

The department is adopting New Rule I(2) to address concerns from banks and credit unions by allowing virtual annual meetings while operating under a declared state of emergency for COVID-19.

5. The rationale for the temporary emergency rule is set forth in paragraph 1 and in the statement of reasonable necessity following the rule.

6. The Division of Banking and Financial Institutions maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by

this division. Persons who wish to have their name added to the mailing list shall make a written request that includes the name, mailing address, and e-mail address of the person to receive notices and specifies that the person wishes to receive notices regarding division rulemaking actions. Notices will be sent by e-mail unless a mailing preference is noted in the request. Such written requests may be mailed or delivered to Heather Hardman, Division of Banking and Financial Institutions, 301 S. Park, Ste. 316, P.O. Box 200546, Helena, Montana 59620-0546; faxed to the office at (406) 841-2930; e-mailed to banking@mt.gov; or may be made by completing a request form at any rules hearing held by the department.

7. The bill sponsor contact requirements of 2-4-302, MCA, do not apply.

By: /s/ John Lewis
John Lewis, Director
Department of Administration

By: /s/ Don Harris
Don Harris, Rule Reviewer
Department of Administration

Certified to the Secretary of State April 2, 2020.