



**THE ATTORNEY GENERAL  
OF TEXAS**

**AUSTIN, TEXAS 78711**

**CRAWFORD C. MARTIN  
ATTORNEY GENERAL**

September 16, 1969

Honorable Bruce Gibson  
Credit Union Commissioner  
Texas State Bank Building  
Austin, Texas

Opinion No. M-477

Re: Whether the initial adoption  
of certain new bylaws may be  
accomplished by vote of the  
credit union members or the  
board of directors pursuant  
to Articles 2461-2 and 2461-3,  
V. C. S. , as amended

Dear Mr. Gibson:

You have requested the opinion of this office on whether the initial adoption of certain new bylaws may be accomplished by vote of the credit union members or of the board of directors pursuant to Sections 2 and 3, S. B. No. 317, Acts 61st Leg., R. S. 1969, ch. 186, p. 540, codified as Arts. 2461-2 and 2461-3, V. C. S.

Section 2(b) of the Act states that the Credit Union Department shall prepare a form of articles of incorporation and a form of bylaws which may be used by credit union incorporators for their guidance. This provision appears to have been enacted merely to facilitate compliance with the new act by credit unions that are organized after the effective date of the new Credit Union Act, which date was May 13, 1969. The new Act does not in any way purport to nullify the articles of incorporation or the bylaws of credit unions existing before that date. Such existing credit unions must, of course, comply with the provisions of the new Act when amending their articles of incorporation or bylaws.

The newly enacted procedure for amending the bylaws of credit unions is set forth in Sec. 3 of the Act, which reads as follows:

"The articles of incorporation or the bylaws may be amended as provided in the bylaws. Amendments to the articles of incorporation or bylaws shall be submitted in

writing to the Credit Union Commissioner. Amendments shall become effective upon approval in writing by the Credit Union Commissioner. "

Relevant to your question concerning the initial adoption of a credit union's bylaws is the following language in Sec. 2:

"(a) Any seven or more persons, of legal age, a majority of whom shall be residents of the State of Texas, who have a common bond referred to in Section 6, may organize a credit union and become charter members thereof by: (emphasis added.)

". . . .

"(2) preparing and adopting bylaws for the general government of the credit union, consistent with the provisions of this Act, and executing the same in duplicate; . . . (emphasis added.)

"(3) forwarding the required charter fee of \$10 and the articles of incorporation and the bylaws to the Credit Union Commissioner. If they conform to the statute, he shall issue a certificate of approval of the articles . . . to the applicant or its representative . . . "

Another pertinent section of the Act, Sec. 12(b)(18), indicates that the members of a credit union have the power to reserve certain rights for themselves in the bylaws. This Section states that it is the duty of the board of directors to

"perform or authorize any action consistent with this Act not specifically reserved by the bylaws or this Act for the members, and perform such other duties as the members may from time to time require; . . . " (emphasis added.)

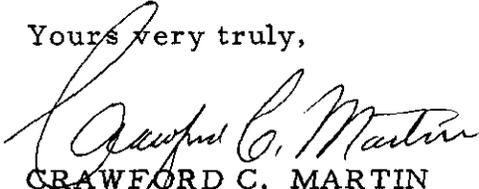
If the above statutory language is to be given effect, it must be concluded that the members of the credit union, rather than the board of

directors, must adopt the bylaws of a new credit union. Otherwise, the members would not have the chance to reserve any actions for themselves in the bylaws. It is presumed that the Legislature intends for its statutes to have meaning, and the courts will not adopt a construction of a statute which will render a provision inoperative or nugatory. 53 Tex. Jur. 2d 228, Statutes, Sec. 159.

SUMMARY

The initial adoption of a credit union's bylaws must be done by its members pursuant to Sec. 2(a)(2), S.B. No. 317, Acts 61st Leg., R.S. 1969, ch. 186, p. 540. The bylaws of existing credit unions may be amended as provided in the bylaws, pursuant to Sec. 3 of said Act.

Yours very truly,

  
CRAWFORD C. MARTIN  
Attorney General of Texas

Prepared by C. Fielding Early  
Assistant Attorney General

APPROVED:  
OPINION COMMITTEE

Kerns Taylor, Chairman  
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Meade F. Griffin  
Staff Legal Assistant

Hawthorne Phillips  
Executive Assistant

Nola White  
First Assistant