

SECOND REGULAR SESSION

HOUSE BILL NO. 2345

95TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES AYRES (Sponsor), ZERR, ALLEN, GATSCHENBERGER,
WALLACE, NOLTE, FLANIGAN, SCHOELLER, DENISON, DEEKEN, KEENEY, KRATKY,
FALLERT AND McDONALD (Co-sponsors).

5377L.01I

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal section 407.1243, RSMo, and to enact in lieu thereof one new section relating to travel club assets, with an emergency clause.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 407.1243, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 407.1243, to read as follows:

407.1243. 1. No travel club may offer vacation benefits for sale unless the travel club maintains an effective registration statement with the Missouri attorney general that discloses the following information:

(1) The name of the travel club, including the name under which the travel club is doing or intends to do business, if it is different from the name of the travel club;

(2) The name of any parent or affiliated organization that will engage in business transactions with the purchasers of travel benefits or accept responsibility for statements made by, or acts of, the travel club that relate to sales solicited by the travel club;

(3) The travel club's business type and place of organization;

(4) If the travel club is an entity, the travel club's formation and governing documents, including articles of organization, bylaws, operating agreements, and partnership agreements;

(5) If operating under a fictitious business name, the location where the fictitious name has been registered and the same information for any parent or affiliated organization disclosed under subdivision (2) of this subsection;

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

15 (6) The names and addresses of the principal owners, officers, and directors of the travel
16 club;

17 (7) The addresses where the travel club shall offer travel club memberships for sale;

18 (8) The name and address of the registered agent in the state of Missouri for service of
19 process for the travel club;

20 (9) A brief description of the travel club memberships the travel club is offering for sale;
21 and

22 (10) The travel club has demonstrated that it possesses [liquid] assets of at least [two
23 hundred] fifty thousand dollars in the form of one or more certificates of deposit or [a letter]
24 **letters** of credit that [is] **are** issued by a banking institution [with assets of at least seventy-five
25 million dollars] **in good standing with the division of finance in the department of**
26 **insurance, financial institutions and professional registration, or in the form of surety**
27 **bonds, except that any travel club that has been adjudged to have failed to satisfy its legal**
28 **obligations under sections 407.1240 to 407.1252 shall thereafter be required to demonstrate**
29 **that it possesses such assets of at least two hundred fifty thousand dollars. The additional**
30 **assets shall be demonstrated within thirty days of the adjudication and failure to do so**
31 **shall result in the registration statement no longer being effective.** This provision shall also
32 apply to renewals under section 407.1246. These [liquid] assets shall be available to the attorney
33 general in the event that the travel club is adjudged to have failed to satisfy legal obligations to
34 its members. Interest on any instrument provided shall accrue to the travel club. **Upon written**
35 **notification of the dissolution of a travel club, the attorney general shall release any such**
36 **assets to the travel club within thirty days if the travel club has satisfied its legal**
37 **obligations under sections 407.1240 and 407.1252 and there are no alleged violations of**
38 **such sections pending.**

39 2. The attorney general shall evidence his or her receipt, approval, or disapproval, as the
40 case may be, of a travel club's registration statement or registration renewal statement within
41 thirty days from and after the submission. Upon compliance with the foregoing requirements,
42 the attorney general shall approve the registration statement. Should any registration fail to
43 address any of the registration conditions as set forth above, the attorney general shall advise in
44 writing the registration deficiencies and the manner in which said deficiencies shall be cured.
45 Such advice shall be provided by the attorney general within fifteen working days from the initial
46 filing of the documents.

47 3. Travel clubs that are operational prior to August 28, 2005, may continue their business
48 activities during the pendency of the attorney general's processing of their registration statements;
49 provided that such registration statement is filed with the attorney general within ninety calendar
50 days of August 28, 2005. Registration of a travel club shall not be transferable.

51 4. The registration statement shall additionally have appended thereto:

52 (1) The form of contract under which the travel club proposes to sell travel club
53 memberships which contains the rescission statement;

54 (2) A check made to the order of the Missouri attorney general in the amount of fifty
55 dollars.

 Section B. Because of the need to ensure that travel clubs have sufficient assets to cover
2 outstanding claims, section A of this act is deemed necessary for the immediate preservation of
3 the public health, welfare, peace and safety, and is hereby declared to be an emergency act within
4 the meaning of the constitution, and section A of this act shall be in full force and effect upon
5 its passage and approval.

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