

HCS HB 1451 -- OFFENSES AGAINST CERTAIN PERSONS

SPONSOR: Schroer

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Special Committee on Aging by a vote of 11 to 0. Voted "Do Pass" by the Standing Committee on Rules- Administrative Oversight by a vote of 6 to 2.

The following is a summary of the House Committee Substitute for HB 1451.

This bill adds broker-dealers and investment advisors (or investment advisor representatives) to the individuals covered under the Senior Savings Protection Act. Broker-dealers and investment advisors may notify the Department of Health and Senior Services, the Commissioner of Securities, or an immediate family member of his or her reasonable belief that financial exploitation of an vulnerable person has occurred or is being attempted. The department or Commissioner may provide information on the vulnerable person to the reporting individual upon request.

In the instance of a reasonable belief of financial exploitation, the bill allows a broker-dealer, investment advisor, or associated person to refuse a transaction from the account of the vulnerable person for a maximum of 10 business days. To refuse a transaction or disbursement, the broker-dealer, investment advisor, or associated person must send written notice to the vulnerable person, along with contact information for the Investor Protection Hotline. Following the refusal of a transaction or disbursement, the Commissioner or department may enter an order to extend the refusal for the time necessary to protect the vulnerable person, but the agency issuing the order must review the circumstances every 30 days.

The bill specifies a broker-dealer or investment advisor who complies with the Senior Savings Protection Act will be immune to civil liability.

A broker-dealer or investment advisor must provide access to records relevant to the suspected financial exploitation to the department, the Commissioner, or law enforcement.

The Commissioner must update their training website to include resources to assist broker-dealers and investment advisors in the prevention and detection of financial exploitation.

The bill allows a rule to be adopted to require a notice filing by an issuer to include a:

- (1) Copy of the Form 1-A or other forms required by the Securities and Exchange Commission;
- (2) Consent of service of process and a payment of a fee of \$100; and
- (3) Payment of \$50 fee for any late filing.

This bill raises the maximum civil penalty under the Senior Savings Protection Act from \$5,000 to \$25,000 for each violation. The bill also raises the maximum penalty after a hearing from \$1,000 to \$25,000 for each violation and the penalty for a finding of a violation against an elderly or disabled person from \$5,000 to \$15,000 for each violation.

This bill also modifies the offense of abuse of an elderly person, person with a disability, or a vulnerable person by adding negligence and increasing the classification from a class A misdemeanor to a class E felony.

The bill increases the offense of financial exploitation of an elderly person or a person with a disability from a minimum class A misdemeanor to a class E felony and lowers the threshold for charging the individual with a class D or class C felony as specified in the bill.

The following is a summary of the public testimony from the committee hearing. The testimony was based on the introduced version of the bill.

PROPONENTS: Supporters say that these statutes need to be updated for inflation and the increase in financial abuse of the elderly.

Testifying for the bill were Representative Schroer; Missouri Assisted Living Association; and Missouri Health Care Association.

OPPONENTS: There was no opposition voiced to the committee.