

HB 2461 -- FAMILY TRUST COMPANY ACT

SPONSOR: Bondon

This bill modifies provisions of the Missouri Family Trust Company Act.

FAMILY MEMBERS

The bill expands the types of entities that may be served by a family trust company to include an irrevocable trust of which one or more family members are the only permissible distributees (Section 362.1015, RSMo).

REGISTRATION OF FAMILY TRUST COMPANIES

Currently, any family trust company that is not a foreign family trust company is required to file an organizational statement. This bill repeals that requirement and instead requires a family trust company or a foreign family trust company to pay a one-time \$5,000 filing fee, file an initial registration with the Secretary of State, and file an application for a certificate of authority (Section 362.1030).

AUTHORITY TO MANAGE A FAMILY TRUST COMPANY

Currently, exclusive authority to manage a family trust company may be vested in a limited liability company if the board of directors or managers consists of three directors or managers. This bill modifies that provision by allowing exclusive authority to manage a family trust company to be vested in a limited liability company if the board of directors or managers consists of at least three directors or managers (Section 362.1037).

ORGANIZATIONAL INSTRUMENT

The bill modifies various provisions affecting organizational instruments filed by family trust companies. An organizational instrument of a family trust company must state that the purpose for which the company is formed is to engage in any and all activities permitted under the Missouri Family Trust Company Act. Additionally, the requirement that certain relatives be designated in the organizational instrument is repealed. Such relatives are instead required to be designated in the initial and annual registration reports filed by the family trust company. Furthermore, a provision is repealed prohibiting a family trust company from having more than one designated relative (Sections 362.1015 and 362.1040).

PURCHASES MADE BY FAMILY TRUST COMPANIES WHILE ACTING AS A
FIDUCIARY

The bill provides that, among other criteria, a family trust company cannot, while acting as a fiduciary, make certain purchases directly from underwriters, broker-dealers, or in the secondary market unless the company discloses its intent to do so in writing to all family members for whom the investment is to be made (Section 362.1070).

This bill is similar to SB 984 (2020).