

HB 707 FINANCIAL INSTITUTIONS (Oehlerking)

COMMITTEE OF ORIGIN: Standing Committee on Financial Institutions

CAMPAIGN FINANCE (Sections 130.011, 130.021, 130.031, 130.036, 130.041)

This bill allows the use of electronic payment systems, such as credit and debit cards, by specified committees, provided that expenditures are paid through the official depository account.

Credit card statements and records that provide a written record of all transactions must be maintained by the treasurer or person responsible for record keeping for the committee. Records will be made available for inspection by the Missouri Ethics Commission. Expenditure reports under Section 130.041, RSMo, must include the total of expenditures made by electronic methods.

These provisions are the same as HB 1158 (2025)

MONEY TRANSMISSION MODERNIZATION ACT OF 2024 (Section 361.909)

This bill exempts from the Money Transmission Modernization Act of 2024, a person appointed as an agent of a payor for purposes of providing payroll processing services for which the agent would otherwise need to be licensed, provided that the requirements detailed in the bill apply.

BANKS AND TRUST COMPANIES (Sections 362.020, 362.247, 362.275, and 362.295)

This bill modifies the articles of agreement applicable to bank or trust companies. The bill adds that the articles of agreement can include conditions and procedures relating to the issuance of additional shares of capital stock or other classes of stock, provided the terms and procedures are acceptable to the Director of Finance and notice of approval has been obtained from the Director of Finance.

Under current law, unless prohibited by statute or regulation, the board of directors can attend board meetings by telephone conference call or video conferencing, and the bank or trust company can include, in a quorum, directors who are not physically present but are allowed to vote, provided the bank or trust company has a composite rating of one or two under the Uniform Financial Institutions Rating System of the Federal Financial Institution Examination Counsel (FFIEC). This bill repeals the reference to this prohibition by regulation and provides an order or memorandum

of understanding entered into with the Director of Finance relating to bank safety and soundness for the directors attending the board meetings.

Further, the bill repeals a reference to composite rating under the FFIEC.

Under current law, the board of directors are required to submit a fourth list to the meeting showing the aggregate of the existing indebtedness and liability to the bank or trust company of each of the directors, officers, and their employees. This bill repeals this requirement.

The bill repeals the requirement for a bank or trust company, within 30 days after it was filed with the director, to publish every report in the newspaper. This bill requires a bank or trust company to provide a paper or electronic copy of any regular periodic reports that are required to be filed with the Department of Commerce and Insurance, to each customer upon request.

These provisions are the same as in HB 754 (2025) and SS SCS SB 97 (2025)

TRUSTED CONTACTS (Sections 362.424 and 370.245)

This bill allows any bank, as that term is defined in the bill, and any credit union to report suspected fraudulent activity or financial exploitation targeting any of its customers or members to a Federal, State, county, or municipal law enforcement agency or any appropriate public protective agency and will be immune from civil liability in doing so.

Banks and credit unions are additionally allowed to offer a trusted contact program to its customers and members who desire to designate one or more trusted contacts for the bank to contact under certain circumstances described in the bill. The trusted contact program is subject to restrictions as described in the bill.

A bank or credit union must not be liable for the actions of a trusted contact and will not be civilly liable for implementing or not implementing a trusted contact program or for actions or omissions related to providing or administering a trusted contact program.

A person designated as a trusted contact who acts in good faith and exercises reasonable care will be immune from liability.

These provisions are the same as HB 754 and HB 1049 (2025) and is similar to SS SCS SB 97 (2025), and SB 99 (2025).

SINGLE BANK POOLED COLLATERAL (Section 362.490)

This bill creates an alternative for banking institutions serving as depositories for public funds to secure their deposits in lieu of the method provided by current law, known as the single bank pooled method. This method allows a banking institution to secure the deposit of public funds of one or more government entities through a pool of eligible securities held in custody and safekeeping with one or more other banking institutions or safe depositories, to be held subject to the order of the Director of the Division of Finance or an administrator, appointed as provided in the bill, for the benefit of the government entities having public funds deposited with the banking institution. The bill prohibits the use of the single bank pooled method unless an administrator is appointed for that purpose, as provided in the bill. Furthermore, the administrator can be required to post a surety bond in an amount up to \$100,000.

The administrator of the single bank pooled method can establish the procedures and reporting requirements as necessary for depository banking institutions and their safekeeping banks or depositories to confirm the amount of insured public fund deposits, the pledge of securities to the administrator to secure the deposit of public funds, as agent for each participating banking institution, and to monitor the market value of pledged securities as reported by the custody agents, and to add, substitute, or remove securities held in the single bank pool as directed by the depository banking institution.

In the event of the failure and insolvency of a banking institution using the single bank pooled method, subject to any order of the director, the administrator will direct the safekeeping banks or depositories to sell the pledged securities and direct proceeds to the payment of the uninsured public fund deposits or to transfer the pledged securities to that banking institution's primary supervisory agency or the duly appointed receiver for the banking institution to be liquidated to pay out the uninsured public fund deposits.

This provision is the same as HB 754 (2025) and similar to SS SCS SB 97.

PAYMENT TRANSACTION FEE AUTHORIZED BY DEBT COLLECTION ATTORNEY (Section 425.310)

Under this bill, a debt collector, including a debt collection attorney or law firm, will be authorized to collect a payment transaction fee from a person, business, or other payor making a credit card or an electronic payment that does not exceed the lesser of \$25.00 or three percent of the payment amount, excluding the fee, provided certain disclosures are made when the transaction

is complete, as explained in the bill. A sample form is included in the bill to achieve compliance.

This provision is the same as HB 754 & HB 1210 (2025)

COMMERCIAL FINANCING DISCLOSURE LAW (427.300)

Current law contains various exemptions from the Commercial Financing Disclosure Law. This bill adds commercial financing products that are premium finance agreements, as defined in current law, offered or entered into by a provider that is a registered premium finance company to that list.

This provision is similar to SS SCS SB 97.

This bill repeals Section 447.200 regarding inactive consumer deposit accounts (Section 447.200).

OFFENSE OF FINANCIAL INSTITUTION ACCOUNTS FRAUD (Section 570.148)

This bill establishes the offense of financial institution accounts fraud whereby a person accesses or uses an account in a financial institution under false pretenses to withdraw money or transfers money to another person or another financial institution in order to deprive the customer or the financial institution of the moneys.

The offense is classified as a class B misdemeanor if the fraud amount is less than \$500. If the amount is greater than \$500, the bill provides for various felony classifications based upon whether the person acted with criminal negligence; recklessly; knowingly; or purposefully.