

HB 754 -- CERTAIN FINANCIAL ORGANIZATIONS

SPONSOR: Oehlerking

COMMITTEE ACTION: Voted "Do Pass" by the Standing Committee on Financial Institutions by a vote of 13 to 0. Voted "Do Pass" by the Standing Committee on Rules- Legislative by a vote of 9 to 0.

This bill modifies the articles of agreement applicable to bank or trust companies.

The bill adds that the articles of agreement may 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 (Section 362.020, RSMo).

Under current law, unless prohibited by statute or regulation, the board of directors may attend board meetings by telephone conference call or video conferencing, and the bank or trust company may include as a quorum directors who are not physically present but are allowed to vote, provided the bank or trust company has a composite rating of 1 or 2 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 for 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 (Section 362.247).

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 of the bank or trust company of each of the directors, officers and their employees. This bill repeals this requirement. (Section 362.275)

The bill repeals the requirement for a bank or trust company to publish every report in the newspaper. A bank or trust company must 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 (Section 362.295).

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

PROPONENTS: Supporters say that this bill modernizes and updates the banking codes to provide regulatory relief to the banks. The banks hire multiple employees to make sure that they are in compliance with federal regulations. The changes contained in the bill were vetted by the Missouri Division of Finance.

Testifying in person for the bill were Representative Oehlerking; Missouri Independent Bankers Association; and David Kent, Missouri Bankers Association.

OPPONENTS: There was no opposition voiced to the committee.

Written testimony has been submitted for this bill. The full written testimony and witnesses testifying online can be found under Testimony on the bill page on the House website.