

HB 2423 -- DIVISION OF FINANCE

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-Administrative by a vote of 9 to 0.

This bill establishes the "Consumer Licensing Fund". The Fund is to consist of those fees charged for licensure by the Division of Finance. The Fund is to be used for all costs incurred by the Director of the Division in administering the provisions of law assigned to the Division.

Further, the bill modifies the fees charged for various entities regulated by the Division including entities applying for licensure in the areas of earned wage access services, financing institutions; premium finance companies; sales finance companies; entities engaged in small loans; credit service organizations; and consumer legal funding companies.

At the time of filing an application for licensure as one of the previously listed entities, the applicant must pay a licensing fee, to be determined by the Director from time to time, not to exceed \$5,000 and a fee for each additional location where such applicant conducts business, to be determined by the Director from time to time, not to exceed \$1,000. Applicants who have not exceeded 100 active accounts at any point in the previous licensing year, must pay a licensing fee, to be determined by the Director from time to time, not to exceed \$1,000 and a fee for each additional location where such applicant conducts business, to be determined by the Director from time to time, not to exceed \$1,000. The licensing period must run from July 1st to June 13th and all license fees paid pursuant to this bill must be credited to the Fund.

Under current law, the previously listed entities are required to pay a fee upon registering with the Division. This bill changes the terminology for such entities from being "registered" to being "licensed". This change applies to entities applying for licensure in the areas of earned wage access services, financing institutions, premium finance companies, sales finance companies, entities engaged in small loans, credit service organizations, and consumer legal funding companies.

The bill increases the fee that the Division can charge a credit service organization for filing a registration statement from \$400 to \$1,000.

This bill is similar to SB 1021 (2026).

PROPOSERS: Supporters say that this bill will benefit the Department of Revenue by balancing out the fee structure, maintain costs, pay the Department's employees, and equalize oversight for specific companies. This bill does increase fees but Missouri will still have one of the lowest fees in the country.

Testifying in person for the bill were Representative Oehlerking; Earnin; Missouri Bankers Association; Missouri Consumer Credit Coalition; Missouri Installment Lenders Association; and Mick Campbell, Division of Finance.

OPPONENTS: Those who oppose the bill say that the fee increase on Missouri residents is unfair.

Testifying in person against the bill was Arnie C. Dienoff.

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.