

HCS SS SCS SB 892 -- FINANCIAL INSTITUTIONS AND MISSOURI UNIFORM TRUST CODE

This bill changes the laws regarding financial institutions and the Missouri Uniform Trust Code.

FINANCIAL INSTITUTIONS

The bill:

(1) Authorizes an income tax credit based on the pro rata share of corporate franchise tax paid by shareholders of S corporation savings and loan association holding companies and credit institutions;

(2) Prohibits industrial loan companies or industrial banks from establishing any deposit or loan production office or bank branch to conduct any banking business within the state;

(3) Requires a person seeking a repossession title to a motorboat, vessel, watercraft, or manufactured home to present a notice of lien receipt or the original certificate of ownership reflecting the holder's lien. The bill removes the requirement that the lienholder must present the original or photostatic copy of the security agreement and instead requires presentation of an affidavit that the lienholder has the written consent of all owners or lienholders of record to repossess the motorboat, vessel, watercraft, or manufactured home or has provided the parties with written notice of the repossession. The lienholder must give 10 days' written notice by first class mail to the owners and other lienholders;

(4) Increases the amount of a corporate surety bond that applicants for a license to sell travelers checks or money orders must have from \$25,000 to \$100,000. The bond will be used to secure the faithful performance of the obligations of the applicant and to pay the costs incurred by the Division of Finance within the Department of Economic Development to remedy any breach of the obligations of the applicant or to pay examination costs of the division that have not been paid. Upon license renewal, the bond amount will be either five times the highest outstanding balance or five times the greatest amount transmitted in a single day from the previous year with a minimum bond amount of \$100,000 and a maximum of \$1 million. The division director will be authorized to perform an examination of any person licensed under the bill if necessary; and

(5) Changes the reporting requirements of past due loan amounts that the board of directors of every bank and trust company must provide at their monthly meetings and allows lenders to

accelerate maturity of an unpaid balance, take possession of the property, or enforce a security interest on a loan if a borrower has defaulted on a second mortgage three times.

MISSOURI UNIFORM TRUST CODE

The bill:

- (1) Revises the statutes to reflect recent changes in the federal Uniform Trust Code by limiting a settlor's ability to represent and bind beneficiaries in actions to amend or terminate trusts and adds a definition of "mandatory distribution";
- (2) Changes cross references in the statutes to conform with the Missouri Prudent Investor Act;
- (3) Prevents special needs trusts from being subject to termination by agreement of the settlor and beneficiaries;
- (4) Protects discretionary interests in a trust from creditors;
- (5) Dissolves the Doctrine of Worthier Title to prevent inadvertent disqualification of special needs trusts;
- (6) Redefines "power of withdrawal";
- (7) Modifies notice requirements for charitable beneficiaries;
and
- (8) Allows qualified beneficiaries to represent other beneficiaries in actions to modify trust administrative provisions.