

SENATE BILL NO. 97

103RD GENERAL ASSEMBLY

INTRODUCED BY SENATOR CRAWFORD.

0676S.011

KRISTINA MARTIN, Secretary

AN ACT

To repeal sections 362.020, 362.247, 362.275, 362.295, and 447.200, RSMo, and to enact in lieu thereof four new sections relating to financial institutions, with penalty provisions.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 362.020, 362.247, 362.275, 362.295, and 447.200, RSMo, are repealed and four new sections enacted in lieu thereof, to be known as sections 362.020, 362.247, 362.275, and 362.295, to read as follows:

362.020. 1. The articles of agreement mentioned in this chapter shall set out:

(1) The corporate name of the proposed corporation. The corporate name shall not be a name, or an imitation of a name, used within the preceding fifty years as a corporate title of a bank or trust company incorporated in this state;

(2) The name of the city or town and county in this state in which the corporation is to be located;

(3) The amount of the capital stock of the corporation, the number of shares into which it is divided, and the par value thereof; that the same has been subscribed in good faith and all thereof actually paid up in lawful money of the United States and is in the custody of the persons named as the first board of directors or managers;

(4) The names and places of residences of the several shareholders and number of shares subscribed by each;

(5) The number and the names of the first directors;

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

18 (6) The purposes for which the corporation is formed;

19 (7) Any provisions relating to the preemptive rights
20 of a shareholder as provided in section 351.305.

21 **2. The articles of agreement may provide for the**
22 **issuance of additional shares of capital stock or other**
23 **classes of stock pursuant to the same procedures and**
24 **conditions as provided under section 351.180, provided that**
25 **such terms and procedures are acceptable to the director of**
26 **finance and provided that any notice or other approval**
27 **required to be given or obtained from the state of Missouri**
28 **shall be given or obtained from the director of the division**
29 **of finance.**

30 **3.** The articles of agreement may designate the number
31 of directors necessary to constitute a quorum, and may
32 provide for the number of years the corporation is to
33 continue, or may provide that the existence of the
34 corporation shall continue until the corporation shall be
35 dissolved by consent of the stockholders or by proceedings
36 instituted by the state under any statute now in force or
37 hereafter enacted.

362.247. 1. A majority of the full board of directors
2 shall constitute a quorum for the transaction of business
3 unless another number is required by the articles of
4 agreement, the bylaws or by law. The act of a majority of
5 the directors present at a meeting at which a quorum is
6 present shall be the act of the board of directors unless
7 the act of a greater number is required by the articles of
8 agreement, the bylaws or by law.

9 2. Unless otherwise prohibited by statute or
10 **[regulation] an order or memorandum of understanding entered**
11 **into with the director of finance related to bank safety and**
12 **soundness,** directors may attend board meetings by telephonic

13 conference call or video conferencing, and the bank or trust
14 company may include in a quorum directors who are not
15 physically present but are allowed to vote[, provided the
16 bank or trust company has a composite rating of 1 or 2 under
17 the Uniform Financial Institutions Rating System of the
18 Federal Financial Institution Examination Counsel (FFIEC)].

19 3. Any director remotely attending a board meeting via
20 telephone or video conferencing may be counted toward a
21 quorum for such meeting and, if the director is not
22 otherwise prohibited, may vote on matters before the bank or
23 trust company's board so long as the meeting minutes
24 identify the director appearing remotely and reflect that
25 the remote director:

26 (1) Received formal notice of the board meeting for
27 which he or she is attending or waived such notice as
28 otherwise provided by law;

29 (2) Received the board meeting information required
30 for each board of director's meeting as provided by section
31 362.275;

32 (3) Was alone when participating in such board meeting
33 or was in the physical presence of no one not a director of
34 such bank or trust company; and

35 (4) Was able to clearly hear such board meeting
36 discussion from its beginning to end.

37 4. The director of the division of finance may
38 promulgate additional regulations, reasonable in scope, to
39 provide for the integrity of the board of directors'
40 operations when directors attend board meetings remotely,
41 the safety and soundness of the bank or trust company's
42 operation, and the bank or trust company's interest in
43 minimizing the cost of compliance with such regulation.

362.275. 1. The board of directors of every bank and
2 trust company organized or doing business pursuant to this
3 chapter shall hold a regular meeting at least once each
4 month, or, upon application to and acceptance by the
5 director of finance, at such other times, not less
6 frequently than once each calendar quarter as the director
7 of finance shall approve, which approval may be rescinded at
8 any time. There shall be submitted to the meeting a list
9 giving the aggregate of loans, discounts, acceptances and
10 advances, including overdrafts, to each individual,
11 partnership, corporation or person whose liability to the
12 bank or trust company has been created, extended, renewed or
13 increased since the cut-off date prior to the regular
14 meeting by more than an amount to be determined by the board
15 of directors, which minimum amount shall not exceed five
16 percent of the bank's legal loan limit, except the minimum
17 amount shall in no case be less than ten thousand dollars; a
18 second list of the aggregate indebtedness of each borrower
19 whose aggregate indebtedness exceeds five times such minimum
20 amount, except the aggregate indebtedness shall in no case
21 be less than fifty thousand dollars; a third list showing
22 all paper past due thirty days or more or alternatively, the
23 third list shall report the total past-due ratio for loans
24 thirty days or more past due, nonaccrual loans divided by
25 total loans, and a listing of past-due loans in excess of
26 the minimum amount to be determined by the board of
27 directors, which minimum amount shall not exceed five
28 percent of the bank's legal loan limit, except the minimum
29 amount shall in no case be less than ten thousand dollars[;
30 and a fourth list showing the aggregate of the then-existing
31 indebtedness and liability to the bank or trust company of
32 each of the directors, officers, and employees thereof].

33 The information called for in the second[,] **and** third[, and
34 **fourth**] lists shall be submitted as of the date of the
35 regular meeting or as of a reasonable date prior thereto.
36 No bills payable shall be made, and no bills shall be
37 rediscounted by the bank or trust company except with the
38 consent or ratification of the board of directors; provided,
39 however, that if the bank or trust company is a member of
40 the federal reserve system, rediscounts may be made to it by
41 the officers in accordance with its rules, a list of all
42 rediscounts to be submitted to the next regular meeting of
43 the board. The director of finance may require, by order,
44 that the board of directors of a bank or trust company
45 approve or disapprove every purchase or sale of securities
46 and every discount, loan, acceptance, renewal or other
47 advance including every overdraft over an amount to be
48 specified in the director's order and may also require that
49 the board of directors review, at each monthly meeting, a
50 list of the aggregate indebtedness of each borrower whose
51 aggregate indebtedness exceeds an amount to be specified in
52 the director's order. The minutes of the meeting shall
53 indicate the compliance with the requirements of this
54 section. Furthermore, the debtor's identity on the
55 information required in this subsection may be masked by
56 code to conceal the actual debtor's identity only for
57 information mailed to or otherwise provided directors who
58 are not physically present at the board meeting. The code
59 used shall be revealed to all directors at the beginning of
60 each board meeting for which this procedure is used.

61 2. For any issue in need of immediate action, the
62 board of directors or the executive committee of the board
63 as defined in section 362.253 may enter into a unanimous
64 consent agreement as permitted by subsection 2 of section

65 351.340. Such consent may be communicated by facsimile
66 transmission or by other authenticated record, separately by
67 each director, provided each consent is signed by the
68 director and the bank has no indication such signature is
69 not the director's valid consent. When the bank or trust
70 company has received unanimous consent from the board or
71 executive committee, the action voted on shall be considered
72 approved.

362.295. 1. Within ten days after service upon it of
2 the notice provided for by section 361.130, every bank and
3 trust company shall make a written report to the director,
4 which report shall be in the form and shall contain the
5 matters prescribed by the director and shall specifically
6 state the items of capital, deposits, specie and cash items,
7 public securities and private securities, real estate and
8 real estate securities, and such other items as may be
9 necessary to inform the public as to the financial condition
10 and solvency of the bank or trust company, or which the
11 director may deem proper to include therein. In lieu of
12 requiring direct filing of reports of condition, the
13 director may accept reports of condition or their equivalent
14 as filed with federal regulatory agencies and may require
15 verification and the filing of supplemental information as
16 the director deems necessary.

17 2. Every report shall be verified by the oaths of the
18 president or vice president and cashier or secretary or
19 assistant cashier or assistant secretary, and the
20 verification shall state that the report is true and correct
21 in all respects to the best of the knowledge and belief of
22 the persons verifying it, and the report shall be attested
23 by three directors, and shall be a report of the actual
24 condition of the bank or trust company at the close of

25 business on the day designated and which day shall be prior
26 to the call. If the director of finance obtains the data
27 pursuant to subsection 3 of section 361.130, the director
28 may rely on the verification provided to the federal
29 regulatory agency.

30 3. [Every report, exclusive of the verification,
31 shall, within thirty days after it shall have been filed
32 with the director, be published by the bank or trust company
33 in one newspaper of the place where its place of business is
34 located, or if no newspaper is published there, in a
35 newspaper of general circulation in the town and community
36 in which the bank or trust company is located; the newspaper
37 to be designated by the board of directors and a copy of the
38 publication, with the affidavit of the publisher thereto,
39 shall be attached to the report; provided, if the bank or
40 trust company is located in a town or city having a
41 population exceeding ten thousand inhabitants, then the
42 publication must be in a daily newspaper, if published in
43 that city; but if the bank or trust company is located in a
44 town or city having a population of ten thousand inhabitants
45 or less, then the publication may be in either a daily or
46 weekly newspaper published in the town or city as aforesaid;
47 and in all cases a copy of the statement shall be posted in
48 the banking house accessible to all.

49 4.] The bank and trust company shall also make such
50 other special reports to the director as he may from time to
51 time require, in such form and at such date as may be
52 prescribed by him, and the report shall, if required by him,
53 be verified in such manner as he may prescribe.

54 [5.] 4. If the bank or trust company shall fail to
55 make any report required by this section on or before the
56 day designated for the making thereof, or shall fail to

57 include therein any matter required by the director, the
58 bank or trust company shall forfeit to the state the sum of
59 one hundred dollars for every day that the report shall be
60 delayed or withheld, and for every day that it shall fail to
61 report any omitted matter, unless the time therefor shall
62 have been extended by the director. Should any president,
63 cashier or secretary of the bank or trust company or any
64 director thereof fail to make the statement so required of
65 him or them, or willfully and corruptly make a false
66 statement, he or they, and each of them, shall be deemed
67 guilty of a misdemeanor, and, upon conviction thereof, upon
68 information, punished by a fine for each offense not
69 exceeding five hundred dollars and not less than one hundred
70 dollars, or by imprisonment not less than one or more than
71 twelve months in the city or county jail, or by both such
72 fine and imprisonment.

73 [6.] 5. A bank or trust company [may provide each
74 written] **shall provide a paper or electronic copy of any**
75 **regular periodic** report required to be [published free of
76 charge to the public; and when each bank or trust company
77 notifies their customers that such information is available;
78 and when one copy of such information is available to each
79 person that requests it, the newspaper publication
80 provisions of this section shall not be enforced against
81 such bank or trust company] **filed under section 361.130 to**
82 **each customer that requests it.**

2 [447.200. 1. If any consumer deposit
3 account with a banking organization or financial
4 organization, as such terms are defined in and
5 under section 447.503, is determined to be or to
6 have been inactive for a period of twelve or
7 more months and if inactivity fees apply to such
8 account, such banking organization, bank or
financial organization shall notify the person

9 or depositor named on such inactive account of
10 such inactivity. Notice may be delivered by
11 first class mail, with postage prepaid, and
12 marked "Address Correction Requested", or
13 alternatively, the notice may be sent or
14 delivered electronically if the consumer has
15 consented to receiving electronic disclosures in
16 accordance with the federal Truth in Savings
17 Act, 12 U.S.C. Sections 4301 to 4313, and the
18 regulations promulgated pursuant thereto.

19 2. Notwithstanding any provision of law to
20 the contrary, for any consumer deposit account
21 with a banking organization, bank or financial
22 organization that is or that has been inactive
23 for twelve months or more, such bank or
24 financial organization shall issue annual
25 statements to the person or depositor named on
26 the account. The organization or a bank may
27 charge a service fee of up to five dollars for
28 any statement issued under this subsection,
29 provided that such fee shall be withdrawn from
30 the inactive account.

31 3. If any consumer deposit account with a
32 banking organization, bank or financial
33 organization is determined to be or to have been
34 inactive for a period of five years, the funds
35 from such account shall be remitted to the
36 abandoned fund account established under section
37 447.543.

38 4. For purposes of this section, the word
39 "inactive" means a prescribed period during
40 which there is no activity or contact initiated
41 by the person or depositor named on the account,
42 which results in an inactivity fee or fees being
43 charged to the account.]

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