

HCS HB 787 -- INVESTMENT TRANSACTIONS

SPONSOR: Wells

COMMITTEE ACTION: Voted "do pass" by the Committee on Financial Institutions by a vote of 13 to 2.

This substitute changes the laws regarding early distributions from certain annuities or retirement plans, the Missouri Higher Education Savings Program, and residential mortgage loan brokers.

EARLY DISTRIBUTIONS FROM CERTAIN ANNUITIES OR RETIREMENT PLANS

Beginning January 1, 2011, the substitute authorizes an income tax deduction from a taxpayer's Missouri adjusted gross income of any one-time early distribution from certain annuities or retirement plans when the distribution does not exceed 20% of the total balance of the account.

This provision will only become effective upon the enactment of a federal deduction for this distribution.

MISSOURI HIGHER EDUCATION SAVINGS PROGRAM

For new contracts entered into after August 28, 2011, the board of the Missouri Higher Education Savings Program must study investment plans of other states and contract with or negotiate to provide benefit options the same as or similar to other states' qualified plans for the purpose of offering additional options for members of the plan.

RESIDENTIAL MORTGAGE LOAN BROKERS

The substitute allows a residential mortgage loan broker making loans on manufactured or modular homes to be licensed in this state without maintaining a full-service office in Missouri. The broker must file with his or her license application an irrevocable consent in a form as determined by the Director of the Division of Finance within the Department of Insurance, Financial Institutions and Professional Registration which provides that for any suit or action commenced against the broker in the courts of this state, the venue will lie in Cole County.

The division director may assess the reasonable costs of any investigation incurred by the division which are outside the normal expense of any annual or special examination or any other costs incurred as a result of the broker not maintaining a full-service office in Missouri.

A mortgage broker making loans on manufactured or modular homes

is allowed to charge, require, or receive points or other fees except insurance on any residential real estate loan.

FISCAL NOTE: Estimated Net Effect on General Revenue Fund of an income of \$0 or a cost of Unknown in FY 2012, FY 2013, and FY 2014. No impact on Other State Funds in FY 2012, FY 2013, and FY 2014.

PROPONENTS: Supporters say that the bill will make it easier for companies to do business in Missouri and create competition which will save consumers money.

Testifying for the bill were Representative Wells; and Missouri Manufactured Housing Association.

OPPONENTS: There was no opposition voiced to the committee.