

House _____ Amendment NO. _____

Offered By

1 AMEND House Committee Substitute for Senate Bill No. 682, Page 2, Section 34.030, Line 21, by
2 inserting after all of said section and line the following:

3
4 "381.022. 1. As used in sections 381.011 to 381.412, the following terms mean:

5 (1) "Escrow", written instruments, money or other items deposited by one party with a
6 depository, escrow agent, or escrowee for delivery to another party upon the performance of a
7 specified condition or the happening of a certain event;

8 (2) "Qualified depository institution", an institution that is:

9 (a) Organized or, in the case of a United States branch or agency office of a foreign banking
10 organization, licensed under the laws of the United States or any state and has been granted
11 authority to operate with fiduciary powers;

12 (b) Regulated, supervised, and examined by federal or state authorities having regulatory
13 authority over banks and trust companies;

14 (c) Insured by the appropriate federal entity; and

15 (d) Qualified under any additional rules established by the director;

16 (3) "Security" or "security deposit", funds or other property received by the title insurer as
17 collateral to secure an indemnitor's obligation under an indemnity agreement under which the
18 insurer is granted a perfected security interest in the collateral in exchange for agreeing to provide
19 coverage in a title insurance policy for a specific title exception to coverage.

20 2. A title insurer, title agency, or title agent not affiliated with a title agency may operate as
21 an escrow, security, settlement, or closing agent, provided that all funds deposited with the title
22 insurer, title agency, or title agent not affiliated with a title agency, pursuant to written instructions
23 in connection with any escrow, settlement, closing, or security deposit shall be submitted for
24 collection to or deposited in a separate fiduciary trust account or accounts in a qualified depository
25 institution no later than the close of the second business day after receipt, in accordance with the
26 following requirements:

27 (1) The funds regulated under this section shall be the property of the person or persons
28 entitled to them under the provisions of the escrow, settlement, security deposit, or closing
29 agreement and shall be segregated for each depository by escrow, settlement, security deposit, or
30 closing in the records of the title insurer, title agency, or title agent not affiliated with a title agency,
31 in a manner that permits the funds to be identified on an individual basis and in accordance with the
32 terms of the individual written instructions or agreements under which the funds were accepted; and

33 (2) The funds shall be applied only in accordance with the terms of the individual written
34 instructions or agreements under which the funds were accepted.

35 3. It is unlawful for any person to:

36 (1) Commingle personal or any other moneys with escrow funds regulated under this

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1 section;

2 (2) Use such escrow funds to pay or indemnify against debts of the title insurance agent or
3 of any other person;

4 (3) Use such escrow funds for any purpose other than to fulfill the terms of the individual
5 written escrow instructions after the necessary conditions of the written escrow instructions have
6 been met;

7 (4) Disburse any funds held in an escrow account unless the disbursement is made under a
8 written instruction or agreement specifying under what conditions and to whom such funds may be
9 disbursed or under an order of a court of competent jurisdiction; or

10 (5) Disburse any funds held in a security deposit account unless the disbursement is made
11 under a written agreement specifying:

12 (a) What actions the indemnitor shall take to satisfy his or her obligation under the
13 agreement;

14 (b) The duties of the title insurer, title agency, or title agent not affiliated with a title agency
15 with respect to disposition of the funds held, including a requirement to maintain evidence of the
16 disposition of the title exception before any balance may be paid over to the depositing party or his
17 or her designee; and

18 (c) Any other provisions the director may require by rule or order.

19 4. Notwithstanding the provisions of subsection 3 of this section, any bank credits, bank
20 services, interest, or similar consideration received on funds deposited in connection with any
21 escrow, settlement, security deposit, or closing may be retained by the title insurer, title agency, or
22 title agent not affiliated with a title agency as compensation for administration of the escrow or
23 security deposit, unless the specific written instructions for the funds or a governing statute provides
24 otherwise.

25 5. Notwithstanding the provisions of subsection 2 of this section, a title insurer, title agency,
26 or title agent is not authorized to provide such services as an escrow, security, settlement, or closing
27 agent in a residential real estate transaction unless as part of the same transaction the title insurer,
28 title agency, or title agent issues a commitment, binder, or title insurance policy and closing
29 protection letters have been issued protecting the buyer's, lender's, and the seller's interests, or if a
30 title insurance policy is not being issued by the title insurer, title agency, or title agent, the title
31 insurer, the title agency, or title agent has given written notice to the affected person in a title
32 insurance commitment or on a form approved by rule promulgated by the director that the person's
33 interest in the closing or settlement is not protected by the title insurer, title agency, or title agent.

34 6. It is unlawful for any title insurer, title agency, or title agent to engage in the handling of
35 an escrow, settlement or closing of a residential real estate transaction unless the escrow handling,
36 settlement or closing is conducted or performed in contemplation of and in conjunction with the
37 issuance of a title insurance policy [or] and a closing protection letter, or if a title insurance policy is
38 not being issued by the title insurer, title agency, or title agent, prior to the receipt of any funds, the
39 title insurer, title agency, or title agent clearly discloses to the seller, buyer or lender involved in
40 such escrow, settlement or closing, that no title insurer is providing any protection for closing or
41 settlement funds received by the title agency or agent.

42 7. A violation of any provision under this section is a level three violation under section
43 374.049.

44 381.058. 1. No insurer that transacts any class, type, or kind of business other than title
45 insurance shall be eligible for the issuance or renewal of a license to transact the business of title
46 insurance in this state nor shall title insurance be transacted, underwritten, or issued by any insurer
47 transacting or licensed to transact any other class, type, or kind of business.

48 2. A title insurer shall not engage in the business of guaranteeing payment of the principal

1 or the interest of bonds or mortgages.

2 3. (1) Notwithstanding subsection 1 of this section or anything else to the contrary in
3 sections 381.011 to 381.405, a title insurer is expressly authorized to issue closing or settlement
4 protection letters (and to collect a fee for such issuance) in all transactions where its title insurance
5 policies are issued and where its issuing agent or agency is performing settlement services and shall
6 do so in favor of [and upon request by] the applicable buyer, lender, or seller in [such transaction]
7 all residential real estate transactions. Such closing or settlement protection letter form shall be
8 filed with the director under section 381.085 and shall conform to the terms of coverage and form of
9 instrument as required by rule of the director and shall indemnify a buyer, lender, or seller solely
10 against losses not to exceed the amount of the settlement funds only because of the following acts of
11 the title insurer's named issuing title agency or title agent:

12 (a) Acts of theft of settlement funds or fraud with regard to settlement funds; and

13 (b) Failure to comply with written closing instructions by the proposed insured when agreed
14 to by the title agency or title agent relating to title insurance coverage.

15 (2) The rate for issuance of a closing or settlement protection letter in a residential real
16 estate transaction indemnifying a lessee or purchaser of an interest in land, a borrower, or a lender
17 secured by a mortgage, including any other security instrument, of an interest in land shall be filed
18 as a rate with the director.

19 (3) The rate for issuance of a closing or settlement protection letter in a residential real
20 estate transaction indemnifying a seller of an interest in land shall be filed as a separate rate with the
21 director.

22 (4) Such filed rate shall not be excessive or inadequate. The entire rate for the closing or
23 settlement protection letter shall be retained by the title insurer.

24 (5) Except as provided under this section or section 381.403, a title insurer shall not provide
25 any other coverage which purports to indemnify against improper acts or omissions of a person with
26 regard to escrow, settlement, or closing services."; and

27
28 Further amend said bill and page, Section 444.1000, Line 29, by inserting after all of said section
29 and line the following:

30 "486.245. 1. The county clerk shall keep a register, listing the name and address of each
31 person to whom he or she awards a notary commission and the date upon which he or she awards
32 the commission. Within thirty days after receiving a bond, signature and oath, the county clerk shall
33 forward the bond, signature and oath to the secretary of state by certified mail. All such bonds,
34 signatures and oaths shall be preserved permanently by the secretary of state.

35 2. The secretary of state shall maintain a database that includes but is not limited to
36 information that is contained on each notary's seal or any lost seal of a notary public.

37 486.275. 1. At the time of notarization a notary public shall sign his or her official
38 signature on each notary certificate.

39 2. If a signature or record is required to be notarized, acknowledged, verified, or made
40 under oath, the requirement is satisfied if the electronic signature of the person authorized to
41 perform such acts, together with all other information required to be included, is attached to or
42 logically associated with the signature or record.

43 3. The secretary of state shall promulgate rules to implement the provisions of this section.
44 Any rule or portion of a rule, as that term is defined in section 536.010 that is created under the
45 authority delegated in this section shall become effective only if it complies with and is subject to
46 all of the provisions of chapter 536, and, if applicable, section 536.028. This section and chapter
47 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter
48 536, to review, to delay the effective date, or to disapprove and annul a rule are subsequently held

1 unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after
2 August 28, 2016, shall be invalid and void.

3 486.285. 1. (1) A manufacturer of a notary public's seal shall register with the secretary of
4 state and communicate to the secretary of state when it has issued a seal to a person in this state.
5 After such communication, the secretary of state shall approve any seal issued by the manufacturer
6 within ten days.

7 (2) A copy of the notary's commission shall be maintained by such manufacturer.

8 (3) If a manufacturer violates the provisions of this subsection, the manufacturer shall be
9 subject to a one thousand dollar fine for each violation.

10 2. Each notary public shall provide, keep, and use a seal which is either an engraved
11 embosser seal or a black inked rubber stamp seal to be used on the document being notarized. The
12 seal shall contain the notary's name exactly as indicated on the commission and the words "Notary
13 Seal", "Notary Public", and "State of Missouri" and, after August 28, 2004, the commission number
14 assigned by the secretary of state, provided that the notary public has been issued a commission
15 number by the secretary of state, all of which shall be in print not smaller than eight-point type.

16 [2.] 3. The indentations made by the seal embosser or printed by the black inked rubber
17 stamp seal shall not be applied on the notarial certificate or document to be notarized in a manner
18 that will render illegible or incapable of photographic reproduction any of the printed marks or
19 writing on the certificate or document.

20 [3.] 4. Every notary shall keep an official notarial seal that is the exclusive property of the
21 notary and the seal may not be used by any other person or surrendered to an employer upon
22 termination of employment.

23 486.375. Any person who acts as, or otherwise willfully impersonates, a notary public while
24 not lawfully appointed and commissioned to perform notarial acts is guilty of a misdemeanor and
25 punishable upon conviction by a fine not exceeding five hundred dollars or by imprisonment for not
26 more than six months or both unless such act results in a fraudulent act involving property, in which
27 case such person shall be guilty of a class E felony.

28 513.430. 1. The following property shall be exempt from attachment and execution to the
29 extent of any person's interest therein:

30 (1) Household furnishings, household goods, wearing apparel, appliances, books, animals,
31 crops or musical instruments that are held primarily for personal, family or household use of such
32 person or a dependent of such person, not to exceed three thousand dollars in value in the aggregate;

33 (2) A wedding ring not to exceed one thousand five hundred dollars in value and other
34 jewelry held primarily for the personal, family or household use of such person or a dependent of
35 such person, not to exceed five hundred dollars in value in the aggregate;

36 (3) Any other property of any kind, not to exceed in value six hundred dollars in the
37 aggregate;

38 (4) Any implements or professional books or tools of the trade of such person or the trade
39 of a dependent of such person not to exceed three thousand dollars in value in the aggregate;

40 (5) Any motor vehicles, not to exceed three thousand dollars in value in the aggregate;

41 (6) Any mobile home used as the principal residence but not attached to real property in
42 which the debtor has a fee interest, not to exceed five thousand dollars in value;

43 (7) Any one or more unmaturred life insurance contracts owned by such person, other than a
44 credit life insurance contract, and up to fifteen thousand dollars of any matured life insurance
45 proceeds for actual funeral, cremation, or burial expenses where the deceased is the spouse, child, or
46 parent of the beneficiary;

47 (8) The amount of any accrued dividend or interest under, or loan value of, any one or more
48 unmaturred life insurance contracts owned by such person under which the insured is such person or

1 an individual of whom such person is a dependent; provided, however, that if proceedings under
2 Title 11 of the United States Code are commenced by or against such person, the amount exempt in
3 such proceedings shall not exceed in value one hundred fifty thousand dollars in the aggregate less
4 any amount of property of such person transferred by the life insurance company or fraternal benefit
5 society to itself in good faith if such transfer is to pay a premium or to carry out a nonforfeiture
6 insurance option and is required to be so transferred automatically under a life insurance contract
7 with such company or society that was entered into before commencement of such proceedings. No
8 amount of any accrued dividend or interest under, or loan value of, any such life insurance contracts
9 shall be exempt from any claim for child support. Notwithstanding anything to the contrary, no
10 such amount shall be exempt in such proceedings under any such insurance contract which was
11 purchased by such person within one year prior to the commencement of such proceedings;

12 (9) Professionally prescribed health aids for such person or a dependent of such person;

13 (10) Such person's right to receive:

14 (a) A Social Security benefit, unemployment compensation or a public assistance benefit;

15 (b) A veteran's benefit;

16 (c) A disability, illness or unemployment benefit;

17 (d) Alimony, support or separate maintenance, not to exceed seven hundred fifty dollars a
18 month;

19 (e) Any payment under a stock bonus plan, pension plan, disability or death benefit plan,
20 profit-sharing plan, nonpublic retirement plan or any plan described, defined, or established
21 pursuant to section 456.014, the person's right to a participant account in any deferred compensation
22 program offered by the state of Missouri or any of its political subdivisions, or annuity or similar
23 plan or contract on account of illness, disability, death, age or length of service, to the extent
24 reasonably necessary for the support of such person and any dependent of such person unless:

25 a. Such plan or contract was established by or under the auspices of an insider that
26 employed such person at the time such person's rights under such plan or contract arose;

27 b. Such payment is on account of age or length of service; and

28 c. Such plan or contract does not qualify under Section 401(a), 403(a), 403(b), 408, 408A or
29 409 of the Internal Revenue Code of 1986, as amended, (26 U.S.C. Section 401(a), 403(a), 403(b),
30 408, 408A or 409);

31 except that any such payment to any person shall be subject to attachment or execution pursuant to a
32 qualified domestic relations order, as defined by Section 414(p) of the Internal Revenue Code of
33 1986, as amended, issued by a court in any proceeding for dissolution of marriage or legal
34 separation or a proceeding for disposition of property following dissolution of marriage by a court
35 which lacked personal jurisdiction over the absent spouse or lacked jurisdiction to dispose of marital
36 property at the time of the original judgment of dissolution;

37 (f) Any money or assets, payable to a participant or beneficiary from, or any interest of any
38 participant or beneficiary in, a retirement plan, profit-sharing plan, health savings plan, or similar
39 plan, including an inherited account or plan, that is qualified under Section 401(a), 403(a), 403(b),
40 408, 408A or 409 of the Internal Revenue Code of 1986, as amended, whether such participant's or
41 beneficiary's interest arises by inheritance, designation, appointment, or otherwise, except as
42 provided in this paragraph. Any plan or arrangement described in this paragraph shall not be
43 exempt from the claim of an alternate payee under a qualified domestic relations order; however, the
44 interest of any and all alternate payees under a qualified domestic relations order shall be exempt
45 from any and all claims of any creditor, other than the state of Missouri through its department of
46 social services. As used in this paragraph, the terms "alternate payee" and "qualified domestic
47 relations order" have the meaning given to them in Section 414(p) of the Internal Revenue Code of
48 1986, as amended. If proceedings under Title 11 of the United States Code are commenced by or

1 against such person, no amount of funds shall be exempt in such proceedings under any such plan,
2 contract, or trust which is fraudulent as defined in subsection 2 of section 428.024 and for the period
3 such person participated within three years prior to the commencement of such proceedings. For
4 the purposes of this section, when the fraudulently conveyed funds are recovered and after, such
5 funds shall be deducted and then treated as though the funds had never been contributed to the plan,
6 contract, or trust;

7 (11) The debtor's right to receive, or property that is traceable to, a payment on account of
8 the wrongful death of an individual of whom the debtor was a dependent, to the extent reasonably
9 necessary for the support of the debtor and any dependent of the debtor;

10 (12) Any money held by a debtor as a security deposit for property that has been rented by
11 another individual. Such money held as a security deposit shall be returned to the renter in
12 accordance with subdivision (1) of subsection 2 of section 535.300.

13 2. Nothing in this section shall be interpreted to exempt from attachment or execution for a
14 valid judicial or administrative order for the payment of child support or maintenance any money or
15 assets, payable to a participant or beneficiary from, or any interest of any participant or beneficiary
16 in, a retirement plan which is qualified pursuant to Section 408A of the Internal Revenue Code of
17 1986, as amended."; and

18
19 Further amend said bill by amending the title, enacting clause, and intersectional references
20 accordingly.