

April 28, 2022

We are wrapping up week 16. This is the final week for weekly reports due to how large bills will become in the next two weeks. We will begin to update you in real time starting on Monday. We will send good news fast and any bad news faster. As always, please don't hesitate to let us know if you have any concerns or questions.

A recap of the week, floor and committee notes and a budget update are below. Thanks and have a great weekend!

On the House side, Speaker Rob Vescovo spent most of the week trying to broker a redistricting compromise. This afternoon the Senate debated Senate Bill 781 sponsored by Senator Mike Moon (R - Ash Grove). The bill establishes the "Save Women's Sports Act" relating to female-only athletics in middle school, high schools, and colleges and would ban any public or private middle school, high school, college or university that allows transgender females to participate in sports from receiving any state funding. The bill quickly stalled when Senator Greg Razer (D - Kansas City) and Senator Lauren Arthur (D - Kansas City) began a filibuster preventing the bill from being voted on by walking through the history of LGBTQ discrimination in America. Supporters of the legislation believe it is protecting female sports and young females' ability to obtain athletic scholarships. The debate ended and the bill was laid over due to the Senate failing to get 18 Senators to show up on the Senate floor to answer a quorum call. A quorum is required to conduct business on the Senate floor.

Your Committee and Floor Notes this Week

Biweekly pay for state employees

The Senate Governmental Accountability and Fiscal Oversight Committee convened Monday afternoon to discuss HB 2090, sponsored by Representative Dave Griffith (R-Jefferson City). The bill allows state employees to be paid biweekly. No supporting or opposing testimony was presented. Immediately after the hearing, the committee went into executive session to consider passage of HB 2090. During committee discussion, substitute language was adopted to align the bill its Senate companion by clarifying the definition of bi-weekly as "once, every two weeks". Once modified, the committee passed the bill by a 7-0 vote.

The House Workforce Development Committee convened Monday afternoon to discuss SB 997, sponsored by Senator Mike Bernskoetter (R-Jefferson City). The bill is the Senate companion to HB 2090, highlighted above. No supporting or opposing testimony was presented. The committee reconvened Wednesday afternoon in executive session to consider passage of SB 997. During committee discussion, substitute language was adopted to include:

- HB 1928, expands on the current licensing process for the visiting scholars.
- HB 2304, allows an alternative pathway to graduation for high school students.
- SB 996, eliminates the Personnel Advisory Board and gives all duties and responsibilities previously held by the board to the Director of the Personnel Division.
- HB 2493, which expands criteria for career ladder admission and stage achievement by including additional responsibilities and volunteer efforts outside of compensated hours.

Once modified, the committee passed the bill by a unanimous vote.

Biweekly pay for state employees

The Senate Governmental Accountability and Fiscal Oversight Committee convened Monday afternoon to discuss HB 2090, sponsored by Representative Dave Griffith (R-Jefferson City). The bill is the House companion to SB 997, sponsored by Senator Mike Bernskoetter (R-Jefferson City) and allows state employees to be paid biweekly. No

supporting or opposing testimony was presented. Immediately after the hearing, the committee went into executive session to consider passage of HB 2090. During committee discussion, substitute language was adopted to align the bill with its Senate companion by clarifying the definition of bi-weekly as “once, every two weeks”. Once modified, the committee passed the bill by a 7-0 vote.

Retirement Options for New State Employees

The House Budget Committee convened Tuesday morning to consider passage of HB 2897, sponsored by Representative Dirk Deaton (R-Noel). This bill would create a retirement option for new state employees starting after January 1, 2024. New employees may elect to opt in or out of MOSERS within the first 30 days of employment. The default, if no selection is made, will be for employees to be included in MOSERS. For any employee that elects to opt out of MOSERS an equivalent amount equal to the previous year's employer contribution rate for retirement shall be paid to the employee as additional income. During committee discussion, substitute language was adopted to clarify the opt-in or opt-out provisions are a one-time irrevocable action, and clarifies the total employer normal costs would be given to those employees who opt-out rather than total employer contribution costs. Due to the changes, the committee did not vote the bill out today to allow fiscal review to provide an updated fiscal note to reflect the substitute language inclusions.

Employment Security

Representative J. Eggleston (R-Maysville) appeared before the Senate Small Business and Industry Committee Tuesday morning to present HB 1860. The bill is the House companion to SB 665, sponsored by Senator Mike Bernskoetter (R-Jefferson City), and ties the maximum amount of time people are eligible to collect unemployment benefits to the state's unemployment rate. According to the language, an additional week is added for each 0.5 percentage point that the unemployment rate rises above 5.5 percent, up to a maximum of 20 weeks if the unemployment rate goes above nine percent. Associated Industries of MO, Opportunity Solution Project, and MO Chamber of Commerce and Industry supported the bill. MO AFL-CIO opposed the bill and informed committee members that unemployment rates are not equal across the state or industries.

Osage River Gaming Legislation

The House Emerging Issues Committee convened Tuesday evening to discuss HJR 127 sponsored by Representative Ron Hicks (R - Defiance). Upon voter approval, this proposed Constitutional amendment changes the Missouri Constitution to allow lotteries, gift enterprises, and games of chance to be conducted on excursion gambling boats and floating facilities licensed by the Commission upon portions of the Osage River from the Missouri River to the Bagnell Dam. Further, the Commission shall issue one excursion gambling boat license in addition to those licenses that have been authorized prior to January 1, 2022.

Osage River Gaming testified in support and stated casinos boost local economies and contribute to new job and ongoing job creation. It was also noted they are completely separate from the Osage Nation which is currently considering building a casino at the Lake of the Ozarks and that organization will not be regulated by Missouri. Missouri Petroleum and Convenience Store Association, a Miller County Commissioner, the Mayor of Osage Beach, and several private business owners also gave supporting testimony. There was no testimony in opposition presented to the committee.

Public Safety Retirement

The Senate Health and Pensions Committee convened Wednesday morning to consider passage of HB 1473, sponsored by Representative Patricia Pike (R- Adrian). Currently, political subdivisions located in third class counties and Cape Girardeau County may, by majority vote of the governing body, elect to cover certain employee classes as

public safety personnel members in the Local Government Employees' Retirement System (LAGERS). The bill allows political subdivisions located in any county to cover such employee classes. After no discussion, the committee passed the bill by a 5-0 vote.

Omnibus Political Subdivisions

The Senate Small Business and Industry Committee convened Tuesday morning to consider passage of HB 2593, sponsored by Representative Tony Lovasco (R-O'Fallon). The bill bars political subdivisions from restricting "no-impact home-based businesses" or otherwise requiring a person to apply for a permit, license, or other prior approval. The bill allows for reasonable regulation if they are narrowly tailored for the protection of public health and safety. During the bill's progression through the House, the bill was amended to include:

- HB 1682, bars any court from enforcing a moratorium on eviction proceedings unless specifically authorized in state statutes.
- HB 2828, specifies that restrictive covenants shall not prohibit for sale signs on a homeowner's property.
- HB 1697, allows cottage food production operations to sell food over the internet.
- 2673, which prohibits political subdivisions from enacting a building code more restrictive than the federal Clean Air Act; and
- HB 2858, which prohibits political subdivisions from requiring a home inspection before the sale of residential property.

During committee discussion, substitute language was adopted to further amend the bill and include SB 809, bars counties, municipalities, and townships from enacting zoning ordinances or regulations that unduly impact home-based businesses, and SB 820, prohibits homeowners association from restricting solar, and provides sales tax parity for solar operations. Once modified, the committee passed the bill by a 4-2 vote.

Workplace Retirement Savings Plan

The Senate Committee on Small Business and Industry convened Thursday morning to consider passage of HB 1732, sponsored by Representative Michael O'Donnell (R-St. Louis). The bill establishes the "Missouri Workplace Retirement Savings Plan," which attempts to pool several small employers (those with 50 or less employees) from across the state into one multiple-employer retirement saving plan. Employees would be allowed to opt into the plan at their discretion. Additionally, the bill creates the "Missouri Workplace Retirement Savings Board" within the Office of the State Treasurer, to design, develop, and implement the plan. During the bill presentation, the sponsor asked the committee to consider an amendment to the bill that assures minority representation on the Board. During committee discussion, substitute language was adopted to include language which ensures the state is not making a one time contract with a vendor. Once modified, the committee passed the bill by a 6-0 vote.

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The committee reconvened Thursday morning in executive session to consider passage of HB 1860. During committee discussion, substitute language was adopted to include SB 808, which creates the Employment Security Program Integrity Act of 2022, and SB 1114, which modifies the definition of wages for purposes of employment security law to include termination pay and severance pay. Once modified, the committee passed the bill by a 3-2 vote.

Missouri Veterans Hall of Fame

The Missouri Capitol has a new installation recognizing veterans and the dedication they have shown to the state and their communities. The Missouri Veterans Hall of Fame is stationed on the second-floor hallway directly across from the Lieutenant Governor's office. Since 1919, the stretch has been known as the Hall of Sailors and Soldiers. The plaque, featuring the first two classes of inductees, was donated by Sikeston VFW Post 1374, and has ten names across two inducted classes and room for at least 22 more classes of inductees.

Required Immunization Liability Act

The House dedicated floor time Monday evening to consider passage of HB 1692, sponsored by Representative Mitch Boggs (R-LaRussell). This bill establishes the "Required Immunization Liability Act", which states an employer that requires its employees to receive an immunization as a condition of employment shall be liable for damages or injury resulting from the required immunization. The bill also allows an employer to purchase insurance to cover and protect the employer and its employees from liability. After considerable debate, the House passed the bill by an 84-58 vote. The bill now will be sent to the Senate for further consideration.

Tidbits

- The House Economic Development Committee convened Tuesday afternoon to consider passage of SB 758, sponsored by Senator Lincoln Hough (R-Springfield). A few years ago, legislation was passed to allow political subdivisions to utilize different delivery methods for building project notices. The bill expands the delivery process to allow the state to use the same various methods for procurement methods. Additionally, the bill removes current bonding authority pertaining to Fulton Mental Health Hospital. During committee discussion, substitute language was adopted to include HB 2418, modifies the Missouri One Start Program by allowing the MO One Start Program to help assist companies with recruitment services and removes the MO One Stop Job Training Oversight Committee. Additionally, language was adopted to include HB 2621, which establishes the labeling and qualifying of Ozark Highland Spirits and adds the compromise revisions for the One Start Act. Once modified, the committee passed the bill with a 9-0 vote.
- The American Conservative Union (ACU), the nation's oldest conservative grassroots organization, has ranked Missouri Senate candidate Vicky Hartzler the most conservative member of Congress in the State of Missouri. For Hartzler's 2021 ranking of 89%, the Missouri Senate frontrunner received the ACU's "Award for Conservative Achievement." Top Missouri conservatives Senator Josh Hawley, Representative Jason Smith, and Representative Sam Graves joined Hartzler in receiving the honor. Since announcing her candidacy for the U.S. Senate, Hartzler has achieved a Trump Score of 95.1%, as well as being ranked the third most conservative member of the U.S. House by GovTrack.
- A Cole County judge denied the state health department's attempt to relitigate a case stemming from a 2019 licensing dispute with Missouri's lone abortion provider and ordered Missouri to pay Planned Parenthood's legal fees. Cole County Circuit Court Judge Jon Beetem affirmed an administrative court's ruling that the state must pay Reproductive Health Services of Planned Parenthood of the St. Louis Region for the roughly \$146,000 in legal bills it amassed defending itself after the state health department declined to renew its license in 2019. Additionally, Judge Beetem also ordered the Department of Health and Senior

Services to pay Reproductive Health Services about \$8,000 it incurred as a result of the litigation arising from the fees dispute.

- The Missouri Supreme Court ruled Tuesday that plaintiffs seeking to block a controversial state gun law are allowed to proceed in their attempt to do so, reversing a lower court ruling and sending the case back to the lower court for further judgement. St. Louis City, St. Louis County, and Jackson County sued the state last year over what supporters of the law have called the "Second Amendment Preservation Act," which aims to invalidate certain federal gun laws in Missouri and punish police for enforcing them. The counties' request for a ruling on the law's constitutionality was rejected by a judge in a Jefferson City court, who said they had an alternative path to that ruling through other lawsuits filed against the statute. In a 6-1 decision written by Judge George W. Draper III, Missouri's high court reversed that ruling, writing that the plaintiffs "are entitled to proceed" because the other lawsuits filed would not address their specific concerns with the law's constitutionality.

Budget Update

The Senate dedicated all of Tuesday debating the thirteen budget bills for FY2023. Although it appeared a lengthy debate was imminent, in a surprising twist, the Senate worked swiftly through the bills and passed all thirteen bills in approximately six hours. Typically, there are usually few changes made on the Senate floor as major changes are made in committee during the mark-up process, however, Chairman Dan Hegeman (R-Cosby) offered additional changes on the floor for HB 3002, HB 3003, HB 3008, HB 3010, and HB 3012. The changes were relatively minor but included:

- \$350,000 to address learning loss for K-12 students.
- Removed \$4.9 million for assistance to the University of Missouri's retirement system.
- An additional \$5 million to the University of Missouri Land Grant match.
- An additional \$10 million for community colleges.
- \$300,000 for water safety lessons at area YMCAs.
- An additional \$3 million for the water patrol.
- An additional \$100,000 for Missouri Veterans Homes.
- Language was added which bars funding for Planned Parenthood and requires a waiver to CMS.
- A \$1 million reduction to the Missouri SkillUp Program.
- A \$500,000 reduction for work assistance programs.
- A \$3 million reduction for various earmarks using TANF funds.

The spending plan for the year that begins July 1 has some big differences from the House version. Major items to be considered in conference include:

- \$214 million added to fully fund the state's 75% share of school transportation costs.
- \$2.5 billion shifted into Medicaid service lines such as hospital care or office visits that represents the projected cost of covering working-age adults under Obamacare. The House put it in a single budget line.
- \$500 million requested by Governor Mike Parson as a deposit to the Missouri State Employees Retirement System. The Senate approved it while the House set up a five-year plan to build up the fund.
- \$100 million for early retirement of state debt. The House increased it to \$276 million.
- There are also about \$80 million in small appropriations added by the Senate, mainly projects earmarked for individual member's districts.

It was expected the Senate Appropriations Committee would meet this week to mark-up the three capital improvement bills (HB 3017, HB 3018, 3019) and HB 3020 which contains the majority of the ARPA funds, but those

hearings were cancelled with no explanation. It is hoped those bills will be worked on next week. The conference committee members were announced and should begin meeting to work out the differences early next week. May 6th is the constitutional deadline to pass the thirteen FY2023 bills.

Key Upcoming Dates

- May 6, 2022 – State Budget finalized per Missouri Constitution
- May 13, 2022 – Last day of the 2022 Legislative Session per Missouri Constitution
- July 1, 2022 – First day of Fiscal Year 2023
- July 14, 2022 – Last day for the Governor to Sign or Veto Bills
- August 28, 2022 – Date Most Legislation Takes Effect (unless another date is specified)
- September 14, 2022 – Veto Session

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Brittany Robbins
Strategic Capitol Consulting (SCC)
Government Affairs, Communications, Operations
314-712-8646
brittany@strategiclobby.com
www.strategiclobby.com