



February 2, 2024

That's a wrap on week 5. The House keeps on keeping on. The lower chamber passed its first bill. The Senate is at least consistent. Just when it felt like we were going to turn a corner, Senator Mike Moon (R - Lawrence) said not so fast. In an attempt to move past the gridlock, a motion was made to approve gubernatorial appointments. Soon after, Senator Moon began filibustering former Senator Dan Hegeman (R - Andrew) appointment to the Highway Commission. During his filibuster, Senator Moon recalled a time the former Appropriations Chairman refused to help override a veto. After a 16-hour filibuster, the gubernatorial appointments including Dan Hegeman were eventually all approved.

All eyes on the Senate and budget, frankly. That might be where all the action is if there is not more consensus on some of the policy. A recap of committees and news from the week is below.

Thanks and have a great weekend!

### **Committee Notes**

#### **LAGERS Retirement**

The House Pensions Committee convened Tuesday morning to discuss HB 2431, sponsored by Representative Barry Hovis (R-Whitewater). The bill modifies provisions relating to the board of trustees for the Missouri Local Government Employees' Retirement System (LAGERS). Currently, the board consists of 3 employer members, 3 worker members, and one civilian trustee. As the Lagers program has grown with time, retirees now represent a large portion of their members and the bill seeks to add a retired member. During the bill presentation, the sponsor stated he believed having a retiree on the board is a necessary representation. The MO Lagers Retirement system testified in support of the bill. No opposing testimony was presented.

The Senate Veterans, Military Affairs and Pensions Committee convened Wednesday afternoon to discuss SB 898, sponsored by Senator Rusty Black (R-Sullivan). The bill is the Senate companion to HB 2431, highlighted above. Committee discussion and testimony mirrored that of the House hearing.

#### **Broadband Internet Expansion Grants**

The House Special Committee on Tax Reform convened Tuesday afternoon to discuss HB 2142, sponsored by Representative Ben Baker (R-Neosho). Currently, a taxpayer may deduct from state income tax 100% of any federal grant money received for the purpose of providing or expanding access to broadband internet to areas of the state that lack access. This bill expands the deduction to include state or local grant money and limits the deduction only to money disbursed for this express purpose. The MO Farm Bureau, and Health Forward Foundation supported the bill and informed committee members that not only expanding but also enhancing broadband deployment across the state remains a priority. A public advocate opposed the bill.

#### **Local Government Ordinances for Rental Property**

The House General Laws Committee convened Tuesday afternoon to discuss HB 2385, sponsored by Representative Ben Keathley (R-Chesterfield). This bill adds the provision that prohibits local governments from requiring private property owners to accept Section 8 vouchers. The Show Me Institute, MO Realtors Association, MO Apartment Association, STL Apartment Association, American Action Fund, and a couple of public realtors along with home renters testified in support of the bill. Empower Missouri, and The City of Kansas City testified in opposition to the bill.

### **Tax Free Firearms and Ammo**

The House General Laws Committee convened Tuesday afternoon to consider passage of HB 2291, sponsored by Representative Bishop Davidson (R-Republic). The bill specifies that firearms and ammunition sold in this state are exempt from state and local sales tax. After no discussion, the committee passed the bill by an 11-5 vote.

### **State Designations**

The House Transportation Accountability Committee met Thursday morning to consider HB2414 sponsored by Representative Dave Casteel (R - High Ridge). HB2414 directs the department of transportation to erect and maintain signs designating the Ozark Highlands Region in consultation with the Ozark Highland Distillers Guild. The goal of the legislation is to put Missouri on the map in the spirits industry, make its spirit exports more accessible and to help the state compete with Kentucky and Tennessee. During the bill presentation, the bill sponsor said there will be a committee substitute circulated next week. Ozarks Highlands Distillers Guild and Stone Ledge Spirits Company testified in support of the bill.

### **Waterways and Ports Trust Fund**

The House Transportation Infrastructure Committee convened Wednesday afternoon to discuss HB 2352, sponsored by Representative Cindy Buchheit-Courtway (R-Festus). The bill makes several changes to the Waterways and Ports Trust Fund including removal of: the requirement that funds be withdrawn only for the purposes of transportation grants; the requirement that the project be on or adjacent to the navigable rivers of this state; a provision requiring a 20% local match; and, a provision requiring that the project be "selected and approved by the highways and transportation commission, in consultation with the Missouri public ports, to support a statewide plan for waterborne commerce." Rather than being based on approval by the highways and transportation commission, projects would have to be capable of completion within two years of appropriation of funds by the general assembly, and any unspent funds remaining after two years may be reallocated. The sponsor stated the bill is necessary because of difficulties faced by the Jefferson County port authority when trying to access appropriated funds. The Jefferson County Port Authority, Lewis County Port Authority and Port KC provided supporting testimony. No opposing testimony was presented to the committee.

### **Marijuana Program Update**

The Director of Cannabis Regulation, within the MO Department of Health and Senior Services (DHSS) Amy Moore appeared before the House Veterans Committee to provide a brief update on the medical and recreational marijuana program. Currently, there are two funds for all collected taxes and fees on marijuana sold in the State. One fund is for medical, the other fund is for recreational adult use. In both cases, after operating expenses are paid for the DHSS regulatory program, money flows down to the designated beneficiaries.

On the medical side, the sole beneficiary of collected taxes and fees is the MO Veterans Commission and veterans for health and care. On the adult use side, after operating expenses for DHSS and paying for costs related to expungement activity, the beneficiaries are the Veterans Commission, the public defenders system, and a grant program related to substance use disorder.

Moore concluded her presentation by providing a handout on the current revenues and provided the new budget numbers in the Governor's recommendation. For FY24, the Governor is recommending a supplemental amount (an additional amount) of \$5 million to go to the Veterans Commission and for FY25, the core amount was about \$13 million, with an additional recommended amount of \$7.8 million. In summary, for FY24, the total amount is about \$19 million and for FY25, the total amount is about \$22 million.

Ben Terrell, the legislative liaison for DHSS also provided a brief overview highlighting the public health implications of marijuana and provided a report from the CDC on the adverse effects and risk of long term cannabis usage. Additionally, it was stated the MO Poison Center has reported an increase in children consuming marijuana, and hospitalizations have also increased due to cannabis poisoning.

### **Sports Betting**

The House Special Committee on Public Policy convened Wednesday afternoon to consider passage of HB 2331, sponsored by Representative Dan Houx (R-Warrensburg). The bill seeks to legalize sports betting in Missouri. During the bill presentation, the sponsor informed committee members the language represents a compromise between the gaming industry, vendors, the player's, and the various sports leagues on their preferred implementation and regulatory framework. After no discussion, the committee passed the bill by a 5-2 vote.

### **Budget Update**

As predicted, once the Governor's Executive budget was released after last week's State of the State, the full House Budget Committee convened daily this week to receive budget presentations from the various State Departments regarding the FY2024 Supplemental budget and the FY2025 Governor recommendations. At the time of this report only a handful of the budget books are currently available online, so the committee limited the presentations to those departments and Statewide Officials.

The committee also reviewed the three Capital Improvement bills (HB 17, HB 18, HB 19). The ARPA Capital Improvement bill (HB 20) will be reviewed at a later date as some information was not yet ready to be presented. The Senate Appropriations Committee also convened this week to review the FY2025 MO Department of Higher Education and Workforce Development budget recommendations. It is expected that next week, the remaining departments will be presenting their budgets to both the House and Senate Appropriation Committees, which will lead to the House beginning to craft their recommendations.

### **Tidbits**

- The House Special Committee on Public Policy convened Wednesday afternoon to consider passage of HB 2331, sponsored by Representative Dan Houx (R-Warrensburg). The bill seeks to legalize sports betting in Missouri. During the bill presentation, the sponsor informed committee members the language represents a compromise between the gaming industry, vendors, the player's, and the various sports leagues on their preferred implementation and regulatory framework. After no discussion, the committee passed the bill by a 5-2 vote.
- LEADER Worldwide, a ground travel management and logistics company, announced Monday that it will expand in Kansas City, investing more than \$3.2 million and creating 59 new jobs. The company's expansion will increase its fleet of vehicles and equipment while providing a new office and garage space. For this expansion, LEADER Worldwide will benefit from the Missouri Works program, a tool that helps companies expand and retain workers by providing access to capital through withholdings or tax credits for job creation.
- On Tuesday, the U.S. Department of Agriculture (USDA) announced that most farm loan borrowers will be able to make payments to their direct loans online through the Pay My Loan feature on **farmers.gov** in early February. Pay My Loan is part of a broader effort by the USDA's Farm Service Agency (FSA) to streamline its processes, especially for producers who may have limited time during the planting or harvest seasons to visit a local FSA office; to modernize and improve customer service; provide additional customer self-service tools; and expand credit access to assist more producers.
- On Tuesday, Missouri State Auditor, Scott Fitzpatrick, released his office's annual review of local property tax rates. The report details property tax rates reported to the State Auditor's

Office by local government entities, including cities, counties, schools, and fire districts. In 2023, the staff reviewed 4,846 property tax rates from 2,804 taxing authorities. For the ninth consecutive year, the State Auditor's Office found that no taxing authorities levied a tax rate exceeding the certified tax rate. A complete review of the **2023 property tax rates is available here.**

### **Upcoming Hearings of Interest**

House: <https://house.mo.gov/AllHearings.aspx>

Senate: <https://www.senate.mo.gov/hearingsschedule/hrings.htm>

### **Key Upcoming Dates**

- February 7, 2024 – State of the Judiciary
- February 19, 2024 – President's Day – IN SESSION
- March 1, 2024 – Last day of bill filing
- March 18-22, 2024 - Legislative Spring Break
- April 1, 2024 – Easter Break – No Session
- April 2, 2024 – General Municipal Elections
- May 10, 2024 – Last Day to Constitutionally pass the FY 2025 Budget
- May 17, 2024 – Last Day of the 2024 Legislative session
- August 6, 2024 – Missouri Primary Elections
- September 11, 2024 – Veto Session
- November 5, 2024 – Missouri General Elections