

February 23, 2023

It was supposed to be a short week due to the President's Day holiday, but the Senate chose to work on Monday. It was productive and fast paced, but tragedy, sadness and disdain was on the surface.

### **Janae Edmonson**

For most of us in the Capitol, our minds were on Janae Edmonson. Janae is a 16-year-old student athlete visiting St. Louis with her parents for a volleyball tournament. Janae was hit by a speeding car in downtown St. Louis on Saturday. She was pinned between two cars and had to have both of her legs amputated as a result. Daniel Riley, the 21-year-old driver accused of causing the crash, was out of jail on bond following an armed robbery in St. Louis City in 2020. Court records show he has violated the conditions of his bond more than 50 times. Why was he behind the wheel of a car and not awaiting trial held without bond?

This may be the icing on the cake. On Wednesday, Senate President Caleb Rowden called for St. Louis City Circuit Attorney Kim Gardner to immediately resign for displaying gross incompetence. Attorney General Andrew Bailey also demanded that she resign by noon today or face immediate removal proceedings from his office. Many local elected officials in St. Louis also released statements asking the Circuit Attorney to take accountability for this and other preventable crimes. During an interview with KMOV, St. Louis City Mayor Jones said it is time for Kim Gardner to do some soul searching and that she has lost the trust of St. Louisans.

A Senate Remonstrance signed by every Republican member of the Missouri Senate was introduced on Thursday urging the City of St. Louis Circuit Attorney to resign immediately after Senator Denny Hoskins (R - Warrensburg) finished airing grievances over his sports wagering bill not making it out of committee. Senate Bill 658 sponsored Senator Bill Eigel (R - St. Charles) also introduced legislation and is calling for the immediate recall of the circuit attorney, mayor, and every member of the St. Louis City Board of Aldermen. You can listen to the full audio from this discussion [here](#).

After Kim Gardner failed to resign in time for Andrew Bailey's deadline, he issued a [press release](#) announcing he had filed a lawsuit to begin the process of removing her from office. Kim Gardner was reelected in 2020 and received 74% of the vote.

Your notes for the week and a general review is below. Thanks and have a good evening.

### **MoDOT Revenue and Projects**

The House Transportation Accountability, and the Transportation Infrastructure Committees convened a joint hearing to consider a presentation from MoDOT Director Patrick McKenna regarding their 2022 revenues and current and upcoming road and bridge projects. Director McKenna reported FY 2022 revenues were \$2.2 billion with the majority of the revenue generated by the Missouri sales and use tax. They received \$1 billion from the federal government and \$301 million from bond proceeds that are set to be paid in full in 2027. To date, they have completed 220 bridge projects and hope to have the remaining bridges in

critical need under contract by early March. The upcoming STIP plan (2023 to 2027) will have 1,800 road construction projects and 1,443 bridge construction or repair projects with a total cost of \$8.1 billion.

Director McKenna discussed the FY2024 governor's request of \$859 million to provide funding for the Rocheport Bridge project, the widening and repairing of I-70 from Blue Springs to Odessa, and the widening and repairing of I-70 from Warrenton to Wentzville stating the environmental work for I-70 was completed but will need to be updated and this will take around nine months. The \$100 million allocated for black top projects on roads has fourteen projects under contract that are 40% finished and those will be completed entirely once the weather improves. Director McKenna also informed the committee rising inflation is consuming 25-28% of MoDOT's projects budget and expects that percentage to increase over the next two years.

### **Budget Update**

The Senate dedicated floor time Wednesday afternoon to debate HB 14, sponsored by Representative Cody Smith (R-Carthage). This is the Emergency Supplemental requested by Governor Mike Parson. The Emergency Supplemental includes an 8.7% pay raise for state employees plus a \$2 differential increase for those working night and overnight shifts for certain departments. The bill also includes an increase in the mileage reimbursement rate to \$.655 per mile, \$148 million for capital improvement projects provided there is a 50/50 match, \$275 million for SEMA to reimburse expenses to Missouri citizens, \$3 million for the Wood Energy Tax Credit, and over \$24 million to the Missouri State Employees Retirement System. After brief discussions, and no modifications, the Senate passed the bill by a 29-4 vote. The bill now will be sent to the Governor for final consideration.

### **Committee Hearing Notes**

#### **Employee Securities Income Tax Deduction (ESOP)**

The Senate Economic Development and Tax Policy Committee convened Monday afternoon to consider passage of SB 247, sponsored by Senator Justin Brown (R-Rolla). Current law allows for an income tax deduction equal to 50% of the net capital gain from selling Employer Securities to a qualified MO employee stock ownership plan, this deduction expires in December 2022. The bill reauthorizes the tax credit and removes the sunset. After no discussion, the committee passed the bill by a 5-0 vote.

#### **Exempting State Income Tax on Benefits**

The Senate Economic Development and Tax Policy Committee convened Monday afternoon to discuss SB 241, sponsored by Senator Bill Eigel (R-St. Charles). The bill eliminates state income tax on social security benefits, retirement benefits, and military retirement benefits for all taxpayers. AARP supported the bill but expressed concerns with the fiscal note. No opposing testimony was presented.

#### **Senior Citizen Property Tax Credit**

The Senate General Laws Committee convened Wednesday morning to discuss SJR 21, sponsored by Senator Steven Roberts (D-St. Louis). Upon voter approval and approval by the governing body of the county or city not within a county through an ordinance, the resolution would exempt taxpayers 65 years of age or older and meet certain criteria from increases in

their residential property taxes. After no discussion, the committee passed the bill by a 6-0 vote.

The committee then turned its attention toward SB 190, sponsored by Senator Tony Luetkemeyer (R-Parkville). The bill is similar to SJR 21, highlighted above and seeks to freeze any property taxes for people that are 65 years of age or older. Additionally, the bill eliminates state income tax on social security benefits. After no discussion, the committee passed the bill by a 6-0 vote.

### **Property Tax Freeze**

The House Special Committee on Tax Reform convened Tuesday afternoon to discuss HJR 44, sponsored by Representative Mark Matthiesen (R-O'Fallon). Upon voter approval, the resolution places a dollar amount freeze on primary residence for senior citizens that are 67 or older. Additionally, it will require those that are eligible must submit an application every three years to prove residency. A private citizen supported the bill. The ShowMe Institute opposed the bill.

### **Updating Hancock Amendment**

The House Special Committee on Tax Reform convened Tuesday afternoon to discuss HJR 35, sponsored by Representative Don Mayhew (R-Crocker). Upon voter approval, the resolution updates the Hancock Amendment to align it with current and future fiscal years. During bill presentation, the sponsor informed the committee that the original purpose of the Hancock Amendment was to limit government and allow citizens to weigh in on any tax increases, and his intent with the resolution is to capture current Missouri personal income levels and is an attempt to clarify MO Revenues. ShowMe Institute supported the bill. No opposing testimony was provided.

### **Stars and Stripes Historic Region**

The Senate Transportation, Infrastructure and Public Safety Committee convened Monday afternoon to consider passage of SB 139, sponsored by Senator Jason Bean (R-Peach Orchard). This bill establishes the "Stars and Stripes Historic Region of Missouri". The Department of Transportation may place suitable markings and informational signs within the region, with the costs to be paid by private donation. After no discussion, the committee passed the bill by a 6-0 vote.

### **Ammunition Sales Tax**

The Senate Transportation, Infrastructure and Public Safety Committee convened to consider passage of SB 131 sponsored by Senator Rick Brattin (R-Harrisonville). The bill allows for firearm and ammunition sales to be state and local tax exempt. During committee discussion, substitute language was adopted to change the title to "Firearm Tax Relief", and include a new provision to allow for a deduction of the federal excise tax, and also add a provision allowing taxpayers to deduct and retain state taxes in the amount equal to the federal excise tax. Once modified, the committee passed the bill by a 4-2 vote.

### **MoDOT and HSP Retirement System**

The Senate dedicated floor time Thursday morning to consider passage of SB 20, sponsored by Senator Mike Bernskoetter (R-Jefferson City). The bill would allow active employee

members of the Board of Trustees of Missouri Department of Transportation and Highway Patrol Employees' Retirement System to continue their term until June 30, 2028. After no debate, the Senate passed the bill by a 33-0 vote. The bill now will be sent to the House for further consideration.

### **CCP Platforms on State Devices**

The House Special Committee on Homeland Security convened Monday afternoon to consider passage of HB 919, sponsored by Representative Adam Schnelting (R- St. Charles). The bill restricts any elected or appointed member or employee of any state agency from using or downloading on any social media platform owned by the Chinese Communist Party (CCP) or a company that shares user data with them on state electronic devices. During committee discussion, substitute language was adopted to include provisions from HB 1081 which modifies and establishes provisions related to recording conversations and protecting a person's privacy. The substitute does not include any of the provisions from HB 1081 regarding two-party consent and GPS tracking. Once modified, the committee passed the bill by a 9-0 vote.

### **In Brief...**

- On Tuesday, Refresco, a leading global provider of beverage solutions, announced that it will expand in Truesdale, investing \$22 million and creating 30 new jobs. The company's investment in its existing Warren County location will increase capacity for beverage manufacturing through the installation of an additional production line. Refresco's Truesdale facility is its fourth and largest plant in Missouri. The company has 74 production locations across North America, Europe, and Australia that employ more than 13,000 people. In addition to expanding its Warren County facility, Refresco has made a significant contribution to support the Warren County R-III School District, faculty, alumni, and students.
- The Missouri State Veterans Commission announced they have been awarded a \$507,000 U.S. Department of Veterans Affairs grant to give a \$920 one-time payment to full-time support care assistants. It also allows the same amount to be given to workers hired into the same positions between March 1<sup>st</sup> and July 1<sup>st</sup> of this year. The Missouri Veterans Commission has been dealing with staffing shortages of frontline workers at the state's veteran's homes. During the last state budget year, veteran's homes dealt with a 55% vacancy rate for support care assistants and a 32% vacancy rate for senior support assistants. State Veterans Commission Executive Director Paul Kirchoff said certified medical technicians, certified nursing assistants, and the senior nursing assistants qualify for the payment.
- Wednesday afternoon, Missouri Attorney General Andrew Bailey that St. Louis Circuit Attorney Kimberly M. Gardner would face removal from office if she didn't resign by noon Thursday. He stated he would initiate "quo warranto" proceedings to remove Gardner if she did not resign. The action centers around whether a person has forfeited the legal right to hold public office. The announcement adds to mounting pressure facing Gardner, after a 17-year-old volleyball player from Tennessee lost her legs in an accident involving a man out of jail with pending robbery charges. Gardner, first elected in 2016, has faced ongoing criticism for understaffing and dysfunction in her office that has hampered prosecutions.

- On Thursday, Governor Mike Parson and Attorney General Andrew Bailey held a joint press conference at the Capitol to announce actions Missouri will take against the newly proposed Waters of the United States (WOTUS) rules by the federal government. Governor Parson stated the new WOTUS rules are federal overreach and would add additional burdens to ranchers, farmers and business owners in Missouri. Governor Parson said there is doubt the Environmental Protection Agency (EPA) has the authority to govern certain waterways in Missouri. Attorney General Andrew Bailey has filed a lawsuit against WOTUS and the EPA to receive clear guidelines regarding regulating privately owned waters in Missouri.

### Hearings

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

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

### Key Upcoming Dates

- March 1, 2023 – Last Day to File Bills
- March 9 – 20, 2023 – Legislative Spring Break
- April 10, 2023 – Easter Break – No Session
- May 5, 2023 – Constitutional Deadline to pass the FY2024 state budget
- May 12, 2023 – Last day of Legislative Session
- July 1, 2023 – First day of the new fiscal year
- July 14, 2023 – Last day for Governor Parson to sign or veto legislation
- September 13, 2023 – Veto Session

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