

February 25, 2022

Candidate filing for those planning to run for public office in the 2022 primary election started this week. Eyes will mostly be on the U.S. Senate and congressional races. There are 163 House seats and 17 Senate seats up for grabs. According to the secretary of state website, candidate filing closes at 5 p.m. on March 29. However, due to final senate and congressional district lines still pending, who knows when it will close.

The Senate remained mostly at a standstill the first part of this week due to what is now referred to as "Bib-gate". Senator Mike Moon (R - Ash Grove) held the floor in protest of President Pro Tem Dave Schatz (R - Sullivan) stripping him of his committee assignments in response to his dress code violation for wearing overalls. Bib-gate finally came to an end late Wednesday afternoon and allowed the Senate to debate and pass Governor Parson's long-sought emergency supplemental budget. The House continues to truck along.

The last day to file legislation is March 1 and the State of the Judiciary has been rescheduled for Tuesday, March 8. A budget update and recap of the week is below.

Please don't hesitate to let us know if you have any questions or concerns. Thanks for your time and have a great weekend!

Governor Parson Signs FY 2022 Supplemental Budget Bill

Today, Governor Mike Parson signed the Fiscal Year 2022 supplemental budget bill, HB 3014, that was passed by the General Assembly this morning. The bill allows for current operations of the state government to continue through FY 2022.

HB 3014 totals over \$4.6 billion, including \$401.5 million in general revenue, \$4.1 billion in federal funds, and \$45.3 million in other funds. The supplemental budget bill includes funding for several high priority areas:

- A statewide pay plan for state team members, including a 5.5 percent cost of living adjustment;
- \$1.9 billion for distribution to local public school districts;
- Nearly \$100 million for distribution to non-public schools;
- \$444 million for child care services;
- \$219 million for school food programs; and
- Funding for MO HealthNet, including funding to ensure eligibility re-determinations are done in a timely manner.

Your Committee Notes

LAGERS

The Senate Health and Pensions Committee convened Wednesday afternoon to consider passage of SB 655, sponsored by Senator Sandy Crawford (R-Buffalo). The bill is the Senate companion to 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 4-0 vote.

Elimination of State Income Tax

The Senate Health and Pensions Committee convened Wednesday afternoon to consider passage of SB 871, 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. After no discussion, the committee passed the bill by a 4-0 vote.

Professional Employer Organizations

The House Pensions Committee convened Wednesday morning to consider passage of HB 2400, sponsored by Representative Dan Houx (R-Warrensburg). This bill provides that both a client and a registered professional employer organization shall each be deemed an employer for purposes of sponsoring retirement and welfare benefits plans for covered employees. After no discussion, the committee passed the bill consent by a 10-0 vote.

Public School Retirement System

The House Elementary and Secondary Education convened Wednesday afternoon to consider passage of HB 1881, sponsored by Representative Rusty Black (R-Chillicothe). The bill allows retired teachers to teach for four years, instead of only two, in school districts covered by the Public School Retirement System if there is a shortage of certified teachers. After no discussion, the committee passed the bill by an 18-0 vote.

More Budget

ARPA/HB 20

The House Budget Committee convened Tuesday afternoon to continue to hear testimony from Budget Director Dan Haug regarding the America Rescue Plan Act Funds (HB 20).

- \$9 million has been requested to invest in broadband for state parks across Missouri. A larger broadband discussion developed regarding the plan across departments and a map will be developed to show exactly where towers will be built on state land to deploy broadband.
- There is a \$410 million request for political subdivision wastewater projects. There is \$250 million available in grant funding from DNR for political subdivisions to apply for projects regarding wastewater and drinking water.
- \$250 million has been requested for broadband Infrastructure and guidelines will be drafted in April to provide guidance to local political subdivisions and providers. There is a three-year window for the funds to be spent before the funds must be returned to the federal government.
- Over \$126 million has been requested to upgrade the state's IT systems (this will include remote work programs, server upgrades, and enhance the online portal which would allow ease of access for residents to find needed services in one place.
- \$69 million has been requested to develop the Rock Island Corridor to develop bike and tourism activity in Missouri. Members suggested this project costs \$1 million per mile to develop.
- \$4.5 million has been requested for mental health records as the current system is failing to meet CMS reporting standards.
- \$24 million has been requested for VOCA funding and is supplemental to the federal grant the state receives. Chairman Smith questioned how long the funding would last. It was noted this

would last for a 2.5 year grant cycle. There needs to be \$51 million in the fund to ensure grants can hold steady going forward. The last grant was \$19 million. It was stated if there are no future increases there will be a \$15 million shortage in 5 years.

- The four-year, community colleges, and state tech CI projects have a state match range (if under \$60 million it's a 50% match if above \$60 million it's a 25% match).

House Budget Chair Cody Smith announced he will hold one more hearing for HB20 to make sure all outstanding questions are answered. At the time of this report, a hearing date had not been posted.

Tidbits

- The House dedicated floor time Tuesday morning to revisit HB 1686, sponsored by Representative Bill Hardwick (R-Waynesville). The bill prohibits a public entity or person from requiring a COVID-19 vaccination for conditions of employment and further prohibits an employer from imposing a fine, tax, or criminal or civil penalty based on a person's COVID-19 vaccination status. The bill also adds additional protections to those entities governed by CMS to ensure federal funds are not affected. After brief discussion, the House passed the bill by a 110-41 vote. The bill now will be sent to the Senate for further consideration.
- The House dedicated floor time Tuesday morning to revisit HB 2358, sponsored by Representative Dave Evans (R-West Plains). The legislation requires employers to make reasonable accommodations for COVID-19 vaccine mandates for those employees who hold sincerely held beliefs. If a COVID-19 vaccine is required, any resulting injuries would be considered an occupational disease. Refusal to take a COVID-19 vaccine for religious/conscientious reasons does not disqualify an individual from unemployment compensation. The bill also has language regarding organ donations being allowed regardless of vaccine status. After brief discussion, the House passed the bill by a 105-48 vote. The bill now will be sent to the Senate for further consideration.
- Senator Roy Blunt addressed the House of Representatives on Wednesday. In his brief remarks Senator Blunt said the new infrastructure bill – and the recent transition of USDA employees to Missouri – has set the state up to be a leader in ag research and commerce. Additionally, he also stated he would not be endorsing a specific candidate to fill his seat but will support the Republican nominee. He closed his remarks by encouraging both chambers to work together for the common good of Missouri citizens. This is the 11th time Senator Blunt has addressed the House of Representatives.
- The Missouri Republican Party issued a statement on Wednesday that they would not accept a filing fee from Representative Patricia Derges (R-Nixa), who is currently facing fraud charges. In the statement, Missouri Republican Party Treasurer Pat Thomas said “the party won't accept Representative Derges' candidate filing fee as long as she has felony charges pending against her.” Filing for the August primary ends on March 29th.
- On Tuesday, Empower Missouri, along with a complainant named Mary Holmes, filed a federal lawsuit against Missouri's Department of Social Services. The complaint filed in the U.S. District Court for the Western District of Missouri alleges that DSS is wrongly denying thousands of low-income resident's food stamps because the call center is so backlogged it is preventing the agency from completing the application process. The Department has faced increasing scrutiny over the last few months over backlogs in its social safety net.

- The Senate convened Thursday morning to debate SJR 33, sponsored by Senator Andrew Koenig (R-Manchester). Upon voter approval, this constitutional amendment prohibits the General Assembly from setting an income tax rate exceeding 5.9%. It also modifies a provision prohibiting sales taxes levied on transactions not taxed as of January 1, 2015, by providing an exception for sales and use taxes on subscriptions, licenses for digital products, and online purchases of tangible personal property. After no discussion, the Senate passed the bill by a 30-1 vote. The bill now will be sent to the House for further consideration.
- On Thursday, the Missouri state auditor's office released their report of the state's tax credit programs. The scope of the report includes an analysis of the tax credit activity occurring for the past 5 years up to June 30, 2021. An interesting note in the report found that five programs make up 75% of the tax credit redemptions. These are: Low Income Housing Tax Credit, Senior Citizen Property Tax Credit, Missouri Works, Historic Preservation Tax Credit, and Missouri Quality Jobs. A link to the full report can be found [here](#).

Key Upcoming Dates

- March 1, 2022 – Last day to file House and Senate bills
- March 8, 2022 – State of the Judiciary
- March 14-18, 2022– Legislative Spring Break
- April 18, 2022 – Easter Holiday – No Session
- 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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