



February 29, 2024

Tuesday was candidate filing day. At times the Capitol Building seeped Senior Skip Day vibes. Throughout the day, statewide office holders and legislators made the trek to the Secretary of State's office to file for reelection, local or higher office. 163 House seats, 12 senate seats are up for grabs. Eyes will also be on the governor, lieutenant governor and 3rd congressional district races. Get your popcorn ready.

This is week 9 and the Missouri Senate debated several bills. A recap is below. At times, the sounds of the building felt old school. Proposed policies were debated and some compromise was found during floor debate. Two of the driest and unflappable senators in the chamber found themselves in heated debate over the definition of rural. It sounded like two pieces of toast in a knife fight. Picture it. Welcome back, Missouri Senate.

Bill filing ends Friday, March 1. To date, 2,307 bills have been filed. Politicos think this number will surpass 2,500.

We hope you have a great weekend. Happy Leap Day.

### **Floor Debate Notes**

#### **Mo Bucks**

The Senate dedicated floor time Tuesday afternoon to debate SB 736, sponsored by Senator Sandy Crawford (R-Buffalo). The bill is the Senate companion to HB 1803, sponsored by Representative Terry Thompson (R-Lexington) and raises the aggregate amount the state treasurer may invest in linked deposits with a cap of \$1.2 billion. The current cap is \$800 million. The bill also changes the calculation basis from "dollars" to "percentages". During debate, Senator Bill Eigel (R-St. Charles) amended the bill to include SB 735, which creates and modifies provisions relating to gold and silver. Senator Rick Brattin (R-Belton) then amended the bill to prohibit the state treasurer from accepting payments using central bank digital currency. Once modified, the Senate provided its first of two necessary approval votes.

#### **Rural Access to Capital**

The Senate dedicated floor time Wednesday afternoon to debate SB 802, sponsored by Senator Curtis Trent (R-Springfield). The bill establishes the "Missouri Rural Access to Capital Act" and creates tax incentives for investing in businesses located in rural areas. The tax credits are equal to the percentage of the fund investment, with no more than \$16 million dollars in total combined tax credits authorized per year. During debate, the sponsor offered a substitute to provide a technical change. Senator Bill Eigel (R-St. Charles) further amended the substitute to include language specifying that investments and investors cannot be alien, a foreign entity or foreign-owned entities, or a foreign government. Senator Brian Bernskoetter (R-Jefferson City)

then attempted to modify the bill to reduce the population requirements from 50,000 to 20,000. After considerable debate, the amendment failed and the Senate then provided its first of two necessary approval votes.

### **Broadband Internet Expansion Grants**

The Senate Commerce, Consumer Protection, Energy, and the Environment Committee convened Tuesday morning to discuss SB 872, sponsored by Senator Karla Eslinger (R-Wasola). 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. During debate, the sponsor offered a floor substitute to include SB 1411, which extends the expiration date of the Uniform Small Wireless Facility Deployment Act; SB 947, modifies provisions relating to video services; SB 896, creates a state and local sales tax exemption for utilities, equipment, and materials used to generate or transmit electricity. During debate, Senator Tracy McCreery (D-St. Louis) expressed concern with the inclusion of SB 947, relating to video services and after considerable debate, the sponsor offered an amendment to remove SB 947 provisions, the bill was then returned back to the calendar to be debated further another day.

### **State Funds Prohibition**

The House dedicated floor time Wednesday morning to debate HB 2634, sponsored by Representative Cody Smith (R-Carthage). The bill prohibits public funds being expended to any abortion facility, or affiliate or associate thereof, including for MO HealthNet reimbursement. During debate, the sponsor successfully amended the bill to make a technical correction. After a brief debate, the House provided the first of two necessary approval votes.

### **Committee Notes**

#### **Pasturing of Chickens**

The Senate Local Government and Elections Committee met Monday afternoon to consider passage of SB 985, sponsored by Senator Nick Schroer (R-O'Fallon). The bill would allow property owners to own and pasture up to 4 chickens for every 2/10ths of an acre that is owned. A homeowner's association may adopt reasonable rules, subject to applicable statutes or ordinances, regarding ownership or pasturing of chickens, including a prohibition or restriction on roosters. After no discussion, the committee passed the bill by a 4-0 vote.

#### **Child Tax Credit**

The House Ways and Means Committee met Tuesday morning to consider passage of HB 1973, sponsored by Representative Alex Riley (R-Springfield). Currently, the Champion for Children Tax Credit is set to sunset at the end of 2025 and is capped at \$1.5 million. The tax credit is designed to encourage private donations to agencies that serve kids that have experienced trauma and the program provides a 50% credit for contributions to certain qualified entities in the state of Missouri. The bill extends the sunset from 2025 through December 31st of 2029, raises the cap from \$1.5 million to \$2.5 million, and it increases the credit amount from 50 to 70% of a taxpayer's eligible contribution. During committee discussion, a committee substitute was adopted to provide clarifying language and also included HB 2089, sponsored by Representative Michael O'Donnell (R-St. Louis), which seeks parity for the benevolent tax credits by increasing the total amount contributed from 50% to 70%. Once modified, the committee passed the bill by an 8-0 vote.

#### **National Guard Education Assistance Grants**

The House Special Committee on Tax Reform met Tuesday afternoon to consider passage of HB 1712, sponsored by Representative Adam Schnelting (R-St. Charles). Currently, Missouri National Guard members can be awarded an educational assistance grant to an approved public institution or an approved private institution in Missouri. Beginning with the 2025-26 academic year, this bill allows those members to receive the grant for tuition costs at any public, private, or virtual postsecondary education institution in the United States. After no discussion, the committee passed the bill by a 10-0 vote.

### **Sales and Use Tax Collection**

Senator Travis Fitzwater (R-Holts Summit) appeared before the Senate Local Government and Elections Committee Monday afternoon to present SB 1264. The bill is the Senate companion to HB 2503 sponsored by Representative Dane Diehl (R-Butler). In 2021, legislation referred to as "Wayfair" was passed allowing cities and counties to seek voter approval to collect a use tax for online purchases. While cities and counties already had the ability to pass a use tax, "Wayfair" was specifically passed to address online purchases. When that language was passed, it specifically related to the state, cities, and counties because they already had the ability to propose a use tax on the ballot. It did not include other specialty districts, such as 911, fire districts, or ambulance districts that do not have the authority to propose a use tax on the ballot. This bill seeks to amend the use tax laws to now include any taxing jurisdiction authorized to impose a sales tax on emergency services. The MO Ambulance Association, MO Association of Career Fire Protection Districts, Noel T. Adams Ambulance District, Fire Service Alliance, MO State 911 Service Board, MO 911 Directors Association, and the Cass County Emergency Service Board supported the bill. No opposing testimony was presented.

The House Special Committee on Tax Reform convened on Tuesday afternoon to consider passage of HB 2503 sponsored by Representative Dane Diehl (R-Butler). The bill is the House companion to SB 1264 highlighted above. During committee discussion, Representative Bishop Davidson (R-Republic) stated he plans on offering an amendment during floor debate which would move these measures from the municipal election to the general election. After committee discussion and no changes, the committee passed the bill by a 9-0 vote.

### **Workers' Compensation**

The Senate Committee on General Laws convened Wednesday morning to discuss SB 935, sponsored by Senator Mike Bernskoetter (R-Jefferson City). The bill reduces workers compensation benefits under certain circumstances based on marijuana usage. Currently, if Missouri employees ask for workers' compensation after an on-the-job injury, employers can require them to take a drug test for marijuana. If they test positive, even if they hadn't consumed marijuana for days, their compensation and death benefit may be reduced by 50%. Although, marijuana is legalized in Missouri, it's still a controlled substance on a federal level, and in the event the federal government legalizes marijuana, the sponsor's intent with the legislation is to include current policies into state statute so it can remain in place if federal law changes. Employment law attorneys, Associated Industries of Missouri, Missouri Chamber of Commerce and Industry, Missouri Association of Counties, and the Missouri Association of Counties Workers Compensation Trust testified in support of the legislation, stating the bill is already current policy and marijuana would continue to be treated the same as alcohol. Currently, if employees test below the intoxication level of alcohol of .08%, they still could have their benefits reduced. No opposing testimony was presented.

The House Insurance Committee convened Wednesday morning to consider passage of HB 1990 and HB 2135, sponsored by Representatives Sherri Gallick (R-Belton) and John Voss (R-

Cape Girardeau). HB 1990 is similar to SB 935, highlighted above; however, HB 1990 makes an exemption for medical marijuana patients who are following a doctor's prescription and HB 2135, is identical to SB 935. During committee discussion, substitute language was adopted to combine both bill's into one legislative vehicle. Once modified, the committee passed the bill by a 13-2 vote.

### **Employment Security**

The House Special Committee on Public Policy convened Wednesday afternoon to consider passage of HB 2098, sponsored by Representative Terry Thompson (R-Lexington). The bill modifies the definition of "wages" to include vacation pay, termination pay, severance pay and holiday pay for the week that it is payable. The sponsor stated thirty-five other states count severance and termination pay as wages. After no discussion, the committee passed the bill by a 6-0 vote.

### **Pension Fiduciary Responsibility**

The Senate Veterans, Military Affairs and Pensions Committee convened Wednesday afternoon to discuss SB 1113, sponsored by Senator Rusty Black (R-Sullivan). This is the Senate companion bill to HB 1937, sponsored by Representative Bill Owens (R-Springfield). This legislation seeks to ensure that investment fiduciaries do not consider ESG characteristics in a manner that overrides their fiduciary duties. MOSERS, MO Local Government Retirement System, PSRS and PEERS provided supporting testimony stating the bill simply codifies existing policies the pension systems have enacted regarding fiduciary responsibility and are already seeking the best risk adjusted return for their members. Sierra Club provided opposing testimony stating the definitions contained within the bill are vague and could negatively impact investments. MoDOT Retirement System provided informational testimony stating this is a policy they already have in place.

The House Pensions Committee convened Tuesday morning to consider passage of HB 1937, sponsored by Representative Bill Owens (R-Springfield) and is the House companion to the bill highlighted above. After no discussion, the committee passed the bill by a 6-3 vote.

### **Sunshine Law for State Parks**

The House Government Efficiency and Downsizing Committee convened Wednesday morning to discuss HB 1553, sponsored by Representative Bruce Sassman (R-Bland). The bill is the House companion to SB 1019, sponsored by Senator Justin Brown (R-Rolla). The bill allows for public governmental bodies to close records, meetings, and votes that relate to individually identifiable customer information for visitors who make a camping, lodging, or shelter reservation for a Missouri State Park or State Historic Site, unless the records are requested by the visitor or authorized for release by the visitor. Division of Missouri State Parks, Conservation Federation of Missouri, Missouri Park, and Recreation Association provided supporting testimony stating this would protect private information and reduce the selling of personal information. No opposing testimony was presented to the committee.

### **Task Forces**

The House Government Efficiency and Downsizing Committee convened Wednesday morning to consider passage of HB 1814, sponsored by Representative Louis Riggs (R-Hannibal). The bill seeks to create seven various task forces to study everything from technology to security to social service systems in Missouri to evaluating various functions of government and specifies the composition, responsibilities, reporting requirements and sunset provisions relating to the task forces. During committee discussion, substitute language was adopted which requires

those with technological expertise be added to the task forces. Once modified, the committee passed the bill by a 10-0 vote.

### **Auditing State Departments**

The House Government Efficiency and Downsizing Committee convened Wednesday morning to consider passage of HB 1815, sponsored by Representative Louis Riggs (R-Hannibal). The bill requires an audit of all state departments every four years. During the bill presentation, the sponsor stated these performance audits have saved Ohio \$1.4 billion in costs and these audits could help identify which State positions could be eliminated or modified to save taxpayer dollars. During discussion, substitute language was adopted which precludes auditing entities from performing more than one audit on any state agency. Once modified, the committee passed the bill by a 10-0 vote.

### **Mail from State Departments**

The House Government Efficiency and Downsizing Committee convened Wednesday morning to discuss HB 1489, sponsored by Representative Dave Griffith (R-Jefferson City). Currently, a notice of deficiency from the Department of Revenue must be sent by certified mail. The bill would remove that requirement for commercial entities and allow notice to be sent by electronic means. For individuals, they may opt-in to receive notification electronically or by first class mail. The Department of Revenue provided supporting testimony. No opposing testimony was presented to the committee.

### **Budget Update**

There was a flurry of budget activity this week. On Tuesday morning, the House Subcommittee on Appropriations-General Administration convened to lambast Treasurer Vivek Malek for the use of taxpayer funded advertising decals on so-called “grey machines.” If committee members sought an apology and a commitment to remove the decals they were doomed to disappointment. It was an over two-hour contentious hearing which ended with Chairman Scott Cupps demanding the decals be removed or face consequences from the committee.

Additionally, the full House Budget Committee convened Wednesday morning to consider passage of HB 2016, which is the Emergency Supplemental bill for \$2.2 million to allow for funding the Governor’s Executive Order to send Missouri National Guard members and Missouri State Highway Patrol troopers to Texas. Committee members expressed concerns there was already sufficient funding within the Governor’s discretionary fund and this would cause command confusion as federal troops have already been deployed. After a brief discussion, the committee passed the bill by a 25-4 vote.

The Senate Appropriations Committee also continues to hear from the various departments methodically and expeditiously regarding the FY2025 governor recommendations and department requests. The timeline for the House to finish crafting their version of the budget was expected to be completed before the legislative Spring Break in March but with the delay of the budget bills being filed, this deadline will not be met. It is anticipated the two FY2024 Supplemental bills will be completed before the legislative Spring Break.

### **Tidbits**

- The House Special Committee on Innovation and Technology convened Tuesday afternoon to consider passage of HB 2141, sponsored by Representative Ben Baker (R-Neosho). The bill prohibits the use of any Chinese-owned social media

apps on state issued electronics. After no discussion, the committee voted to pass the bill with a 5-2 vote.

- The self-proclaimed state public advocate Arnie “Honest Abe” A.C. Dienhoff, who to-date has testified on 447 bills in various committees this session, has filed to run as a Republican in the 3<sup>rd</sup> Congressional District. He joins a crowded field which also includes former Senator Bob Onder and Senator Mary Elizabeth Coleman.
- On Wednesday, Republican Senator Mitch McConnell, the longest-serving Senate leader in U.S. history, announced he will be stepping down from his leadership role in November but will carry out his term through 2027. Potential successors include Senator John Thune (R-South Dakota), who has been the whip in the Senate since 2019; Senator John Cornyn (R-Texas), has been in the Senate since 2003; and Senator John Barrasso (R-Wyoming), has been in the Senate since 2007.
- The Kansas City Chiefs released renderings of their reimagined Arrowhead Stadium at the Harry S. Truman Sports Complex. The renderings include what the Chief’s call a new “activation zone” and more parking on the site where the Kansas City Royals’ Kauffman Stadium presently stands. The total cost of the proposed renovation is estimated at nearly \$800 million, and Chief’s Chairman Clark Hunt says the Hunt family would pay \$300 million of that total. The rest would be funded from a Jackson County ballot measure which would extend the 3/8<sup>th</sup>-cent sales tax, which has been placed on the April 2<sup>nd</sup> ballot.
- The House General Laws Committee convened Tuesday afternoon to discuss HR 4055, sponsored by Representative Phil Christofanelli (R-St Peters). The resolution expresses support for Texas governor Greg Abbott and his actions at the border. No supporting or opposing testimony was presented to the committee.

### **Upcoming Hearings of Interest**

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

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

### **Calendars**

**House**

**Senate**

### **Key Upcoming Dates**

- March 1, 2024 – Last day of bill filing
- March 18-22, 2024 - Legislative Spring Break
- March 26, 2024 – Last day of candidate filing
- 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

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