



February 9, 2024

The House debated three bills this week: electric vehicle charging stations, Regulatory Sandbox and Child Care Tax Credit. The big news is that an actual bill was debated on the Senate floor this week. SB1168 sponsored by Senator Mary Elizabeth Coleman (R - Jefferson County) changes provisions related to public funding for abortion facilities. Debate ultimately fell short and the bill was laid over. This is being described as progress.

This is fun. Have you heard of the Committee to Keep the Chiefs and Royals in Jackson County? We have. The Kansas City Royals have started a campaign committee dedicated to promoting the stadium tax ballot question this spring. The Royals filed paperwork this week to establish the Committee to Keep the Chiefs and Royals in Jackson County. Yesterday, the team donated \$500,000 to its own cause, according to a filing with the Missouri Ethics Commission. Find out more from Yahoo Sports.

The last day to file bills is March 1. Please let us know if you have any questions! 11 more weeks.

Go Chiefs!

Budget Update

The House Budget Committee and the Senate Appropriations Committee convened this week to continue to discuss and ask questions of the various departments. In the House Budget Committee much of the discussion and questions have been focused on any increases in the use of General Revenue. Governor Mike Parson has recommended nearly a \$53 billion FY2025 budget spending plan, with an estimated \$15 billion coming from General Revenue. Many legislators are concerned that this spending plan will reduce the nearly \$3.2 billion surplus to \$1.5 billion. Chairman Cody Smith (R-Carthage) has stated publicly that ongoing programs need to remain within the consensus revenue estimate without relying on surplus funding. Currently, revenues are stable at about \$13.1 billion annually but growth is expected to be negligible. As a result, the next step in the series of tax cuts passed during the fall 2022 special session will not be triggered.

Committee Notes

Business Development

The Senate Economic Development and Tax Policy Committee met Monday afternoon to discuss SB 825 and SB 894, sponsored by Senators Denny Hoskins (R-Warrensburg) and Travis Fitzwater (R-Fulton). The bills are identical and establish provisions relating to the promotion of business development. Specifically, the bill creates the Regulatory Sandbox Act which provides small businesses creating innovative products in all industries a way to waive or suspend certain regulations for two years by applying to the Regulatory Relief Office created within the Department of Economic Development. The bill also eliminates the Small Business Fairness Board because they have not had a quorum or the capability to meet over the past ten years.

Additionally, the bill includes the Right-to-Start Act, which requires the Commissioner of Administration, in conjunction with the Office of Entrepreneurship, which is established by the act, to file a report with the General Assembly making recommendations on improving access and resources for new Missouri businesses that have been in operation for less than three years and also creates the Office of Entrepreneurship to promote policies and initiatives to support growth in Missouri. The MO Chamber of Commerce and Industry, Opportunity Solution Project, Cicero Action, City Council of Greater, KC, Bio-STL, Nixa MO, Greater KC Chamber of Commerce, Economic Development Corporation of KC supported the bill. The Sierra Club opposed the bill.

Revitalizing Missouri Downtowns and Main Streets Act

The Senate Economic Development and Tax Policy Committee met Monday afternoon to discuss SB 792, sponsored by Senator Steve Roberts (D-St. Louis). The bill is the Senate companion to HB 1935, sponsored by Representative Travis Wilson (R-St. Charles) and creates the “Revitalizing Missouri Downtowns and Main Streets Act.” The bill establishes a tax credit to provide an opportunity to developers to convert abandoned buildings in downtown areas, to living spaces, stores, etc. The intent of the bill is to revitalize downtown areas and provide another tool. Greater St. Louis Inc., MO Chamber of Commerce and Industry, Economic Corporation of Kansas City, Builders AGC Kansas City, MO Growth Association, City Council of Greater KC, Greater KC Chamber of Commerce, Foss & Co, and the MO Realtors Association supported the bill and informed committee members that revitalization has contributed to the decrease of crime and blight decrease and the bill would provide another useful tool to help communities. No opposing testimony was presented.

The committee then turned its attention towards SB 884, also sponsored by Senator Roberts. The bill is the Senate companion to HB 1936, sponsored by Representative Travis Wilson (R-St. Charles) and modifies provisions relating to the Historic Preservation tax credit by renaming such tax credit as the “Missouri Historic, Rural Revitalization, and Regulatory Streamlining Act”. The intent is to allow counties to designate certain structures as “essential community or heritage facilities” in order to streamline the process and not only encourage but also enable developers to revitalize areas. During the bill presentation, the sponsor stated the bill seeks to address burdens, increase transparency, and provide more accessible. Revitalization for MO, New and Found Development, a historic preservation consultant, MO Chamber of Commerce and Industry, Economic Development Corporation, American Institute of Architects of MO, Greater St. Louis Inc., Foss & Co, Builders AGC of Kansas City, City Council of Greater KC, MO Economic Development and Financing Association, Greater Kansas City Chamber of Commerce, Greater Stl Inc., MO Realtors Association, and St. Louis Electrical Connection supported the bill and stated the tax is an economic driver for both urban and rural areas and also generates thousands of dollars in jobs for communities. Armorvine opposed the bill and advocated the need to limit the tax credit and include language that states the tax credit can only be utilized to house “legal citizens”.

Circuit Breaker

The House Special Committee on Property Tax Reform met Wednesday afternoon to discuss HB 1670, sponsored by Representative Mark Matthiesen (R-O’Fallon). The bill seeks to adjust the “circuit breaker” tax credit annually to account for inflation. AARP, Kansas City Shepard’s Center, MO Association of the Areas of Aging, and the MO Budget Project supported the bill and advocated the importance of adjusting the tax credit to help seniors on fixed incomes. No opposing testimony was presented to the committee.

Tidbits

- o Tik-Tok Ban: The House Special committee on Innovation and Technology convened Tuesday

afternoon to discuss HB2141, sponsored by Representative Ben Baker (R-Neosho). The bill prohibits the use of any Chinese-owned social media apps on state issued electronics. State Armor Action provided supporting testimony. No opposing testimony was presented to the committee.

o Personal Income Tax Rate: The House Special Committee on Tax Reform convened Tuesday afternoon to discuss HJR 111, sponsored by Representative Ben Baker (R-Neosho). Upon voter approval, the resolution would increase the hard cap on the personal income tax rate from 4.8% to 5.5%. Additionally, the resolution stipulates that in the event a new sales tax or state sales tax is imposed, it would trigger a corresponding reduction in the top rate of the state income tax, and so that reduction would be equivalent to the revenue generated by the new sales tax. During the bill presentation, the sponsor stated good tax policy is reducing the income tax burden, including corporate taxes, and allowing the expansion of use and sales tax or consumption tax in place of that. No supporting or opposing testimony was presented.

o On Tuesday, Governor Mike Parson announced three leadership designations to Missouri Boards and Commissions. Kayla Hahn, of Jefferson City, was designated as chair of the Public Service Commission. Al Li, of St. Louis was designated as chair of the Missouri Commission of Human Rights. Brittney Southworth, of Farmington, was designated as vice-chair of the Missouri Commission of Human Rights.

o Israel General Counsel of Miami Maor Elbaz-Starinsky addressed a joint session of the legislature on Tuesday. In his address he said his country and Missouri are bound by moral ties, democratic values, and friendship that transcends time. His speech was disrupted for about five minutes when pro-Palestinian protesters began shouting in the upper House chamber. As he called for the release of hostages being held by Hamas, the protesters began shouting “shame on you,” “shame on Missouri,” “murder,” and “cease-fire now,” according to multiple media outlets. Lt. Governor Mike Kehoe ordered the protesters removed, after which Elbaz-Starinsky resumed his speech.

o Maria Chappell-Nadal, who previously served in the House and Senate, announced she is running to represent the 1st Congressional District of Missouri in the U.S. House of Representatives. Incumbent Cori Bush and St. Louis County Prosecutor Wesley Bell are also running for the seat.

o Since Missouri started adult use cannabis sales on February 3, 2023, more than \$1.4 billion of legal, taxed, and tested marijuana has been sold in Missouri. The tax revenues from these sales have helped fund more than 100,000 automatic expungements for past, nonviolent cannabis offenses and to-date 19,029 Missourians work directly in the legal cannabis industry.

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Upcoming Hearings of Interest

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

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

Key Upcoming Dates:

- February 19, 2024 – President’s Day – IN SESSION
- February 27, 2024 – First day of candidate filing
- 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