

March 15, 2024

Spring break for the Missouri Legislature starts now. Run for office if your kind of adulting includes bountiful snow days and a spring break. Dropping a friendly reminder here: no reports next week.

Some of the upper chamber members are taking an in-district victory lap this morning. On Tuesday, the Missouri Senate passed Senate Bill 727, a controversial charter expansion and education savings account (ESA) legislation this week. The bill expands the state's ESA program statewide, increases the cap from \$25 million to \$75 million, and expands charter schools in St. Charles, St. Louis and Boone Counties.

The norms and traditions of the Senate once again came to a screeching halt on Wednesday when Senate Democrats learned Senator Mary Elizabeth Coleman (R - Arnold) told a House committee considering her initiative petition reform legislation to ignore any compromises made between Republicans and Democrats when the bill was considered in the Senate. Senator Coleman encouraged Republican members of the committee to restore language Democrats in the Senate were unhappy with and addressed any concerns with this move by suggesting she could guarantee Democrats would not be able to filibuster the bill when it returns to the Senate for its final vote. When highlighting the unprecedented move, Senator John Rizzo (D - Kansas City) During debate, Senator Rizzo highlighted Senatorial procedures and etiquette, while advocating the importance of ongoing compromise and communications.

SCC hopes you have a fun and safe weekend. Please don't be a stranger if you have any questions and concerns. Thanks, and we will talk to you soon!

The Border (Not the Missouri one. The Texas one.)

Immigration was a hot topic this week. On Monday, two pieces of legislation were considered and Gubernatorial candidate Lieutenant Governor Mike Kehoe dropped a new ad.

You can check out Kehoe' ad here. It's titled "Finish the Wall". During the ad, he says he supports President Donald Trump doing just that.

Senate Bill 1372 sponsored by Senator Bill Eigel (R - St. Charles County) was considered in the Senate Judiciary Committee on Monday. The legislation creates a new state offense of improper entry, prohibits a student that is deemed unlawful from enrolling in a university or college, any person deemed here illegally from receiving a public benefit and any appropriation made by the General Assembly to any entity, whether public or private, for the purpose of providing services to those unlawfully present in the United States. One advocacy organization testified in support.

House Bill 2844 sponsored by Representative Brad Hudson (R - Cape Fair) was taken up in the House Special Committee on Homeland Security. The legislation creates the "Border Security Enhancement Act" and mostly addresses unlawful minors and employment verification.

Joint Committee on Transportation Oversight

The Joint Committee on Transportation Oversight convened Monday to hear testimony from Missouri Department of Transportation Director Ryan McKenna. Throughout his presentation, Director McKenna highlighted current challenges the Department faces, its successes, goals, infrastructure improvement plans for Interstate 70, its license plate, highway sign programs and Commission.

Director McKenna stated the overall goal of MoDOT is to provide a world class transportation system that's safe, innovative, reliable, and dedicated to a prosperous Missouri. He described safety issues MoDoT workers face such as general highway and roadway accidents, reckless and high-speed driving and highlighted the 139 employees that have lost lives as a result of roadway and construction zone accidents. He also mentioned the increase in traffic fatalities among motorists and motorcyclists. Director McKenna also discussed the workforce issues MoDOT is facing when it comes to its workforce and staffing levels. In its FY25 budget, Director McKenna has requested additional funds to address market pay concerns and staffing shortages. In the last several years, the Department has lost over 15,000 years of experience. The Director said the Department continues to work to address employee pay so it can property staff critical response positions.

Director McKenna discussed Governor Mike Parson's bridge focus program. In December 2023, MoDOT completed the \$353 million project designed to rehabilitate or replace 250 bridges in the state. In the past decade, the Department has completed more than 4200 projects with a total budget of \$11.1 billion. 94% of those projects were completed on time and 5% of those projects were completed under budget. Director McKenna went on to highlight the success of the Department. In recent years, motorists have traveled 53 billion miles on Missouri highways and interstates. Missouri's minor routes make up the largest group of state highways, accounting for about 17,500 miles, just over half of the entire state highway system.

Projects underway include the I-70 Missouri River Bridge at Rockport, a \$240 million construction project, the I-270 project in North Saint Louis County, cross traffic for I-70, Minneola climbing lanes and the \$1.5 billion overall I-70 project.

Floor Debate Notes

Omnibus Veterans

The Senate dedicated floor time Tuesday afternoon to debate SB 912, sponsored by Senator Ben Brown (R-Washington). The bill modifies several provisions relating to veterans by requiring the MO Veterans' Commission to review veterans suicides, collect data of services by state agencies provided to veterans, amongst several speciality license plate provisions. During debate, Senate Bill Eigel (R-St. Charles) amended the bill to prohibit any foreign ownership of agricultural land near military areas. Senator Eigel further amended the bill to exempt any military signing bonuses from state income taxes. Once modified, the Senate provided its first of two necessary approval votes.

The House dedicated floor time Monday evening to revisit HB 1713, sponsored by Representative Adam Schnelting (R-St. Charles). The bill is the House companion to the amended SB 912, highlighted above. During debate, Representative Deb Lavender (D-Manchester) attempted to amend the bill by removing the recently enacted tax cuts but, through a procedural move, the amendment was ultimately ruled out of order. After a brief debate, the House passed the bill by a 141-0 vote.

Money Held by Children's Division

The House dedicated floor time Monday evening to debate HB 2227, sponsored by Representative Hannah Kelly (R-Mountain Grove). This bill requires the Children's Division to place into trust any benefits administered by the Railroad Retirement Board, the Social Security Administration, or the Veterans Administration and to assist children in state custody with applying for and receiving such benefits within 60 days after placement into custody. During the bill's progression, substitute language was adopted that added HB 1835 which requires the Children's Division to attempt to place foster children within a home of the same faith and HB 1904 which modifies the abuse and neglect statutes to clearly define independent activities that do not constitute abuse. During debate, Representative Chad Perkins (R-Bowling Green) successfully amended the bill to bar fees being charged to homeless and emancipated youths 15 and up for documents to obtain a permit or driver's license. Once modified, the House provided the first of two necessary approval votes. The House dedicated floor time Thursday morning to revisit the bill and through a series of procedural motions, returned the bill to the floor for debate. The purpose was to remove the amendment added by Representative Chad Perkins as the language was found to be drafted incorrectly. Once modified, the House again provided the first of two necessary approval votes.

Committee Notes

Missouri State Employees Retirement System

The Senate Veterans, Military Affairs and pensions Committee convened Thursday morning to discuss SB 1401, sponsored by Senator Rusty Black (R-Chillicothe). Beginning on August 28, 2024, in the event that the Board of the Missouri State Employees' Retirement System ("MOSERS") certifies a contribution rate that exceeds 28.75%, the Commissioner of the Office of Administration shall include in its appropriation request an amount equal to the difference between the certified contribution rate and 28.75% of the compensation of members who are employees of the public higher education institutions. COPHE provided supporting testimony stating this could help provide better services and programs to students. Missouri State Employees Retirement System provided informational testimony stating the legislation would be cost neutral and not adversely impact the system.

Central Bank Digital Currency

The Senate Committee on Insurance & Banking convened Tuesday afternoon to discuss SB 826 sponsored by Senator Andrew Koenig (R-Manchester). This bill would prohibit public entities from accepting, or participating in any test of, "central bank digital currencies," as defined in the bill. The bill also modifies the definition of "money" for purposes of the Uniform Commercial Code to exclude central bank digital currency from its meaning. No supporting or opposing testimony was present to the committee.

Linked Deposits

The Senate Committee on Insurance & Banking convened Tuesday afternoon to discuss HB 1803 sponsored by Representative Terry Thompson (R-Lexington). This bill raises the cap on the Treasurer's investment authority through the Linked Deposit Program. The bill is identical to Senator Crawford's SB 736. Testifying in favor of the bill were the Missouri Bankers Association, Missouri Chamber of Commerce & Industry, Missouri Credit Union Association, Missouri Independent Bankers Association, FCS Financial, Associated Industries of Missouri, and Missouri Farm Bureau. No other witnesses testified on the bill.

Veteran Property Tax Exemption

The Senate Local Government and Elections Committee met Monday afternoon to discuss SJR 84 sponsored by Senator Angela Mosley (D-Florissant). Upon voter approval, the resolution exempts certain disabled veterans from property taxes. No supporting or opposing testimony was presented.

MO Contracts

The House Government Efficiency and Downsizing Committee met Wednesday morning to discuss HB 1827, sponsored by Representative Cyndi Buchheit Courtway (R-Festus). Currently in making purchases, the Commissioner of the MO Office of Administration shall give preference to commodities and tangible personal property produced within Missouri. The bill will add Missouri based businesses to the list of businesses that are given preference for purchases made by the state. The Missouri based business is defined as a corporation, limited liability company, limited partnership or limited liability partnership formed or domiciled in Missouri, whose principal place of business has a physical location within the state. Citing the Department was previously contracting with several MO based businesses and unexpectedly canceled the contracts and moved the services to out-of-state companies, the intent of the legislation is to promote Missouri businesses and keep taxpayer money within the State. Proffer Wholesale Produce Inc, and a state public advocate supported the bill. No opposing testimony was presented.

ATV Designation

The Senate Agriculture, Food Production and Outdoor Resources Committee convened Tuesday morning to consider passage of SB 1261, sponsored by Senator Jill Carter (R-Granby). The bill designates all-terrain vehicles used for any agricultural use to be considered farm machinery and equipment when seeking a sales tax exemption. After no discussion, the committee passed the bill by a 6-0 vote.

Reimbursement for Incarcerated Individuals

The Senate Emerging Issues Committee convened Tuesday morning to consider passage of SB 1353, sponsored by Senator Justin Brown (R-Rolla). The bill mandates that the Department of Corrections compensates counties or St. Louis City for the duration an individual was held in custody before being transferred to a correctional center, with a per diem cost cap of \$37.50. The procedure requires the sheriff of the county or St. Louis City to report the total days an offender spent in jail to the county clerk or the chief executive officer of St. Louis City. This report must then be forwarded to the Department of Corrections within two years from when the claim is eligible for reimbursement. The Department is tasked with verifying the expenses. After no discussion, the committee passed the bill by a 6-0 vote.

The House Corrections and Public Institutions Committee convened Wednesday afternoon to consider passage of HB 2558, sponsored by Representative Justin Sparks (R-Wildwood). The bill is the House companion to SB 1353, highlighted above. After no discussion, the committee passed the bill by a 7-0 vote.

The committee then turned its attention towards HB 2665, sponsored by Representative Phil Christofanelli (R-St. Peters). The bill is similar to HB 2558 and requires a county from which an inmate or detainee resides to reimburse St. Louis City, St. Louis County, and St. Charles County for the daily cost of housing. After no discussion the committee passed the bill by a 7-0 vote.

Contracts with Public Entities

The House Financial Institutions Committee convened Tuesday afternoon to consider passage of HB 1724, sponsored by Representative Bill Falkner (R-St. Joseph). Due to unintended consequences with legislation that was passed in 2019 relating to Industrial Revenue Bonds. Prior to 2019, IRB projects were exempt from mechanical liens due to government ownership, which caused issues for subcontractors and in 2019, language was amended to require payment bonds for IRB projects in order to protect subcontractors. The bill removes the IRB payment bond requirements, provides an option to governmental entities to require a payment bond or consent to the filing of mechanic's liens, and eliminates personal liability for employees and elected and appointed officials of a government entity for decisions made by a governmental entity requiring the payment of bonds. After a brief discussion, the committee passed the bill by a 13-0 vote.

Temporary Total Disability Compensation for Volunteer First Responders

The House Insurance Policy Committee convened Wednesday morning to discuss HB 2641, sponsored by Representative Kyle Marquart (R-Washington). The bill seeks to calculate the rate of temporary total disability compensation for volunteer firefighters and volunteer first responders. Specifically, the temporary total disability benefits will be based on the volunteers weekly pay at their regular place of employment. Additionally, the bill outlines how to calculate benefits if the volunteer's regular place of employment's wages is not fixed or cannot be ascertained. Washington Missouri Fire Chief and Fire Service Alliance provided supporting testimony stating they are seeking gap insurance for volunteers that are injured while providing services and this could potentially help with future recruiting. MIRMA and Missouri Insurance Coalition provided informational testimony regarding pool insurance policies for municipalities and emergency responders and current statutes that address compensation.

Anti-Red Flag Gun Seizure Act

The Senate Transportation, Infrastructure and Public Safety Committee convened Wednesday morning to consider passage of SB 998, sponsored by Senator Denny Hoskins (R-Warrensburg). This act establishes the Anti-Red Flag Gun Seizure Act which provides that any federal order of protection or other judicial order issued by a court to confiscate any firearm, firearm accessory, or ammunition from any law-abiding citizen shall be considered an infringement on the people's right to keep and bear arms. After no discussion, the committee passed the bill by a 4-0 vote.

Updating References

The Senate General Laws Committee convened Wednesday morning to consider passage of SB 1017, sponsored by Senator Mike Bernskoetter (R-Jefferson City). The bill updates references to several state agencies due to the reorganization of such state agencies by executive order. After no discussion, the committee passed the bill by a 4-0 vote.

State Funds Prohibition

The Senate Health and Welfare Committee convened Wednesday morning to discuss 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. Campaign Life Missouri, Missouri Right to Life, Susan B. Anthony-Pro Life America, Missouri Catholic Conference, and several private citizens provided supporting testimony. No opposing testimony was presented to the committee. The committee immediately passed the bill by a 5-1 vote.

Child Care Tax Credits

The Senate Government Accountability Committee met Thursday morning to discuss HB 1488, sponsored by Representative Brenda Shields (R-St. Joseph). The bill is the House companion to SB 742, sponsored by Senator Lauren Arthur (D-Kansas City) and authorizes three different tax credits for child care. Specifically, the "Child Care Contribution Tax Credit Act", "Employer-Provided Child Care Assistance Tax Credit Act", and "Child Care Providers Tax Credit Act". During the bill presentation, the sponsor stated child care is an economic issue for the state to consider solving, and the intent of the bill is to help different people, working families, businesses, and child care providers. St. Lukes System, City of Kansas City, Greater Kansas City Chamber of Commerce, Civic Council of Greater Kansas City, UnitedWE, Kids Win MO, Associated Industries, MO Retailers Association, MO Grocers Association, MO NFIB, Moberly Area Economic Development, Aligned, MO Alliance of YMCA's, MO Hospital Association, St. Louis County, Goodwill, and National Association of Social Workers supported the bill. No opposing testimony was presented. Immediately after the hearing, the committee went into executive session to consider passage of the bill. After no discussion, the committee passed the bill by a 5-0 vote.

Tidbits

* The House Special Committee on Small Business convened Monday evening to consider passage of HB 2796, sponsored by Representative Jim Murphy (R-St. Louis) and HB 2874, sponsored by Representative Brian Seitz (R-Branson). The bills are similar and establish the "Protecting Missouri's Small Businesses Act." Specifically, the bill defines "shutdown order," and requires a

political subdivision which implements a shutdown order that closes businesses at least 21 days and must waive business license fees and reduce real and property tax liabilities. During committee discussion, the bills were combined to create one legislative vehicle. Once modified, the committee passed the bill by an 8-0 vote.

- * MU spokesperson Christian Basi notes a significant surge in numbers. MU students have attributed it to the "Flutie effect." The Flutie effect is the increase in attraction to a university due to the success of its sports teams. M-I-Z.
- * On Monday, Fontbonne University announced it will be closing its doors after the 2025 summer session ends. Washington University has made an agreement to purchase the 16-acre campus over the next two months. After many years of declining enrollments and a shrinking endowment, the school's board of trustees voted to cease operations. The school will not be admitting freshmen in the fall of 2024 but there will be classes through 2025. All undergraduate students will get scholarships to cover tuition for the summers of 2024 and 2025.
- * On Tuesday, embattled House Speaker Dean Plocher appeared alongside his attorneys Lowell Pearson and David Steelman to testify before the House Ethics Committee behind closed doors. House rules require proceedings of the Ethics Committee remain confidential, with none of the testimony, proceedings or evidence gathered, made public until a final report is issued. After an hour and half of testifying, Speaker Plocher quickly left and was followed by Representative Dale Wright (R-Farmington), chairman of the House Administration and Accounts Committee and Representative Chris Sander (R-Lone Jack) who has consistently asked for the Speaker's resignation.
- * Another lawsuit has been filed in federal court to end the state's control of the Kansas City Police Department. Under the current system of state control, a governor-appointed police board has complete authority to make decisions about KCPD policy, the hiring of the police chief and how the budget is spent. The lawsuit points to the Equal Protection Clause of the 14th Amendment of the U.S. Constitution, as well as the Civil Rights Act. The plaintiffs have also requested a jury trial.

Budget Update

The House Budget Committee finally convened this week to allow Chairman Cody Smith (R-Carthage) to present his proposed changes to the FY25 budget. Within this document, the Budget Chairman typically makes large sweeping changes across the seventeen budget bills. Chairman Smith provided a high-level overview of the changes made and informed the committee the deadline for any additional amendments would be next Tuesday March 19th at 5pm. No amendments submitted after the deadline will be considered. The committee is scheduled to begin the mark-up process at 10am on March 25th.

A link to the full proposed chairman substitute can be found <u>nere</u>
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Upcoming Hearings of Interest

House:

Senate:

Calendars

House

Senate

Key Upcoming Dates

- * 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

Brittany Robbins | 18500 Edison Avenue, Ste. 200, Chesterfield, MO 63005

Brittany Robbins | 18500 Edison Avenue, Ste. 200, Chesterfield, MO 63005

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