

March 8, 2024

Week 10 is behind us and 9 weeks remain in the 2024 regular session. The Senate was mostly quiet and productive this week, feeling almost like the old days. On Sunday, Senator Bill Eigel (R - St. Charles County) choked on a hotdog and had to have emergency surgery, leading to his absence on Monday and Tuesday as he recovered. Coincidence, perhaps? The body was slated to debate education Wednesday, but that changed when Senator Lincoln Hough (R - Springfield) and Eigel had a heated exchange and Majority Floor Leader Cindy O'Laughlin abruptly adjourned. We are one week away from spring break and most of the Republican priorities still have not been debated on the senate floor. And, we still have to do the budget. Outstanding priorities include education and charter expansion, solid waste permitting, sports wagering and the federal reimbursement allowance.

On Thursday, the Missouri House passed legislation allowing the appropriation of \$2.2 million for the Missouri National Guard and the Missouri Highway Patrol to aid in efforts at the southern border. This was in response to a request from Missouri Governor Mike Parson. In total, the House passed 20 bills this week.

Congratulations to the Women Legislators of Missouri, who raised over \$26,000 for their scholarship fund to support young women seeking a college degree at the *Missouri Times* 2024 Stateswoman of the Year reception honoring Senator Cindy O'Laughlin.

A recap of the week and all of the other things are below. Friendly reminder: SCC will not send a report the week of March 18. Thanks for your time and have a great weekend!

### **Floor Debate Notes**

#### Mo Bucks

The Senate dedicated floor time Thursday morning to revisit 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 previous debate, the bill was amended to include SB 735, which creates and modifies

provisions relating to gold and silver, and also prohibits the state treasurer from accepting payments using central bank digital currency. After no further debate, the Senate passed the bill by a 24-9 vote. The bill now will be sent to the House for further consideration.

### **State Funds Prohibition**

The House dedicated floor time on Monday to revisit 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. After another lengthy debate, the House passed the bill by a 104-49 vote. The bill now will be sent to the Senate for further consideration.

### **Public Employee Retirement Systems**

The House dedicated floor time Tuesday to debate HB 2431, sponsored by Representative Barry Hovis (R-Whitewater.) The bill modifies provisions relating to the board of trustees for the Missouri Local Government Employees' Retirement System (LAGERS). Currently, the board consists of 3 employer members, 3 worker members, and one civilian trustee. As the Lagers program has grown with time, retirees now represent a large portion of their members, and the bill seeks to add a retired member. During the bill's progression, substitute language was adopted which removed the provisions regarding times of service, clarifies the CPI used is determined by the LAGERS board, clarifies the extent of Sunshine Law compliance, narrowed the provision regarding the scope of closing old funds, and removed obsolete provisions. The bill was further successfully amended by Representative Barry Hovis (R-Whitewater) to exempt monies received from judgements and civil actions for emergency responders if the payout received is for a higher rank. Once modified, the House provided the first of two necessary approval votes. The House revisited the bill on Thursday and passed the bill by a 141-0 vote. The bill now will be sent to the Senate for further consideration.

#### **Powers of the State Auditor**

The House dedicated floor time Tuesday to debate HB 2111, sponsored by Representative Phil Christofanelli (R-St. Peters). The bill provides that the Auditor may audit all or part of any political subdivision or government entity if, after an investigation, the auditor believes improper governmental activity has occurred. During debate, Representative Deb Lavender (D-Manchester) attempted to amend the bill by requiring 2/3 of the legislature to approve any funds being allowed to earn their own interest rather than automatically returning to General Revenue. Due to a procedural move, the amendment was ultimately sent back. After a brief debate, the House provided the first of two necessary approval votes. The House revisited the bill on Thursday and passed the bill by a 145-0 vote. The bill now will be sent to the Senate for further consideration.

# **Highway Sign Omnibus**

The House dedicated floor time Tuesday to debate HB 2279, sponsored by Representative Cheri Toalson Reisch (R-Hallsville). The bill requires that the population of the city be included on city limit signs. During the bill's progression, substitute language was adopted to add HB 1694 which prohibits road signs honoring those who have killed or attempted to kill law enforcement; HB 2100 which requires MoDOT to install signs to honor Congressional Medal of Honor recipients; HB 2324 which waives the outdoor advertising fee and biennial

inspection fee for certain signs and HB2414 which requires MoDOT to erect and maintain signs designating the Ozark Highlands Region. The bill was further modified when the sponsor successfully amended the bill to specify city limit signs will be placed on state highways only. Additionally, the bill was further amended by requiring dynamic highway signs not be distracting to drivers and use the least amount of characters necessary and exclude specific banners and signs that can be seen from roadways from the "outdoor advertising" definition. Once modified, the House provided the first of two necessary approval votes. The House revisited the bill on Thursday and passed the bill by a 96-40 vote. The bill now will be sent to the Senate for further consideration.

# **Broadband Development Council**

The House Workforce and Infrastructure Committee convened Wednesday afternoon to consider passage of HB 1813, sponsored by Representative Louis Riggs (R-Hannibal). The bill establishes the "Broadband Development Council." Additionally, the bill establishes the responsibilities of the council and specifies it be made up of 21 members. Finally, the bill requires the council to establish a contract for university-based research. During discussion, substitute language was adopted which eliminates the sunset on the "Uniform Small Wireless Facility Deployment Act." Once modified, the committee passed the bill by a 13-0 vote.

# State Highways and Transportation Commission

The House Transportation Accountability Committee met Thursday morning to discuss HB 2568, sponsored by Representative Don Mayhew (R-Crocker). The bill seeks to modify the structure of the State Highways and Transportation Commission. The sponsor's intent with the legislation is to provide more structure and establish a process in the event the Governor does not appoint a member to a vacancy. During discussion, substitute language was adopted which removed the requirement that both chambers of the General Assembly vet candidates and required the members take turns at chairman in order of legislative districts. Once modified, the committee passed the bill by a 7-5 vote.

### **Motor Fuel Tax**

The House Transportation Accountability Committee convened Thursday morning to discuss HB 2072, sponsored by Representative Don Mayhew (R-Crocker). The bill modifies provisions relating to the motor fuel tax exemption. Currently, motor fuel is exempt from fuel tax, and an exemption and refund may be claimed by a taxpayer if the tax has been paid and no refund has been previously issued. These exemptions and refunds are currently issued on a fiscal year basis. The bill seeks to align the exemptions and refunds based on the tax year and would allow a person to apply for a standard/flat refund in the amount of \$30 for the 2024 tax year, \$45 for the 2025 tax year, and \$60 for the 2026 tax year. Additionally, the bill also authorizes a taxpayer to donate the motor fuel tax refund to a taxexempt nonprofit entity by providing the entity with all required documentation and a signed statement indicating that the nonprofit is entitled to the taxpayer's refund. Lastly, the bill establishes the "Motor Fuel Tax Fund of 2021", to include all refundable revenue collected to be deposited. Any money in the Fund not refunded to a motor fuel purchaser within the required time will remain in the Fund and be subject to appropriation by the General Assembly for road and bridge projects for state-owned infrastructure. During discussion, substitute language was adopted which ties the amount of the refund to the CPI and will be adjusted each tax year. Any additional funding not claimed by refund will be distributed to

rural and other road projects and not placed in the Motor Fuel Tax Fund. Once modified, the committee passed the bill by a 10-3 vote.

#### **Budget Update**

State Budget Director Dan Haug announced that net general revenue collections for February 2024 grew 18% compared to those for February 2023, from \$703.5 million last year to \$830.3 million this year. The net general revenue collections for 2024 fiscal year-to-date increased 1.3% compared to February 2023, from \$8.31 billion last year to \$8.42 billion this year.

Also, this week the House dedicated floor time debating HB 2016, sponsored by Representative Cody Smith (R-Carthage). This is the emergency supplemental bill which would backfill funding from the Governor's Discretionary Fund to support the deployment of 200 National Guardsman and 22 Missouri High Patrol Officers. After considerable debate, the House passed the bill by a 122-12 vote, and it was sent to the Senate for further consideration.

It is expected that the House budget mark-up process will begin next week as Representative Cody Smith has previously stated he would like his committee to finish drafting their version of the Fiscal Year 2025 (FY25) State Budget prior to spring break. It is expected the chair's committee substitutes will be shared next week and this will be the starting point of the House Budget Committee mark-up process. However, at the time of this report, no hearing has been posted to confirm this.

Meanwhile, the Senate has finished hearing from the various departments on the New Decision Items (NDIs) and governor recommendations this week. The Senate Appropriations Committee is now at a standstill and waiting for the House to finish crafting their version of the budget. As a reminder, the Missouri State FY25 Budget must be completed by the Constitutional deadline of May 10th.

### **Tidbits**

- On Monday, the Department of Economic Development announced Unilever will
  expand its facility in Jefferson City, investing more than \$80 million to add operations
  capabilities for the production of Liquid I.V. The company previously announced a
  separate \$25 million investment for its Jefferson City facility in January.
- The House Special Committee on Innovation and Technology convened Tuesday afternoon to discuss HB 2573, sponsored by Representative Adam Schwadron (R-St. Charles). The bill establishes the "Taylor Swift Act", which seeks to address the issue of the unauthorized disclosure of intimate digital images. Individuals impacted may bring a civil action against the person who disclosed the image without their consent. Violators can be charged with a class E felony on the 1<sup>st</sup> offense and a class C felony on a subsequent conviction. The sponsor highlights past instances when high school students all over the country were bullied and humiliated after their peers shared Al-generated explicit photos of them. Committee members expressed that they would like to see the punishments for violators heavily enforced. No supporting or opposing testimony was presented to the committee.

- Missouri veterans who have been exposed to toxins and similar risks can now go directly to VA healthcare without applying for VA benefits. Veterans exposed during military service, were assigned to certain duty stations in Southwest Asia or parts of Africa and veterans deployed in support of certain operations after September 11 are all qualified for this healthcare access.
- On Wednesday, the United Auto Workers announced more than 30% of non-union workers at the Troy Toyota plant signed union authorization cards. It marks the first Toyota plant in the country to do so. The union says Troy workers received a pay increase after workers for the Big Three automakers went on strike last year, but non-union workers are still making \$4 less than unionized workers.
- The House Transportation Accountability Committee convened Thursday morning to discuss HB 2072, sponsored by Representative Don Mayhew (R-Crocker). The bill modifies provisions relating to the motor fuel tax exemption. Currently, motor fuel is exempt from fuel tax, and an exemption and refund may be claimed by a taxpayer if the tax has been paid and no refund has been previously issued. These exemptions and refunds are currently issued on a fiscal year basis. The bill seeks to align the exemptions and refunds based on the tax year and would allow a person to apply for a standard/flat refund in the amount of \$30 for the 2024 tax year, \$45 for the 2025 tax year, and \$60 for the 2026 tax year. Additionally, the bill also authorizes a taxpayer to donate the motor fuel tax refund to a tax-exempt nonprofit entity by providing the entity with all required documentation and a signed statement indicating that the nonprofit is entitled to the taxpayer's refund. Lastly, the bill establishes the "Motor Fuel Tax Fund of 2021", to include all refundable revenue collected to be deposited. Any money in the Fund not refunded to a motor fuel purchaser within the required time will remain in the Fund and be subject to appropriation by the General Assembly for road and bridge projects for state-owned infrastructure. During discussion, substitute language was adopted which ties the amount of the refund to the CPI and will be adjusted each tax year. Any additional funding not claimed by refund will be distributed to rural and other road projects and not placed in the Motor Fuel Tax Fund. Once modified, the committee passed the bill by a 10-3 vote.

### **Upcoming Hearings of Interest**

**House:** <a href="https://house.mo.gov/AllHearings.aspx">https://house.mo.gov/AllHearings.aspx</a>

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

### **Calendars**

<u>House</u> 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

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**Brittany Robbins** 

Strategic Capitol Consulting (SCC)

Chief Operating Officer, Communications

314-712-8646

brittany@strategiclobby.com

www.strategiclobby.com

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

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