



April 12, 2024

It was total eclipse week! Did you see it? The lower chamber did. It was a short week for the Missouri House of Representatives. Most of its members were in the bootheel for prime eclipse viewing. Due to a slow start in January and February, the upper chamber has zero time to waste and worked all four days this week. Its primary focus: defunding Planned Parenthood. The shocking thing is, this debate only lasted 11 hours after a compromise including an emergency clause was added.

But here's the deal - the House did no business on Thursday because of a lack of quorum. It needs a quorum and 106 votes to advance the emergency clause added to the abortion bill we just mentioned. The hot goss: this abortion bill might not hit the governor's desk.

For us hired guns walking the hallways it feels a little bit like Republican priorities are on borrowed time. See the federal reimbursement allowance, education and now abortion. Oh yeah. The #MoLeg has to pass the budget which has a constitutional deadline of May 10.

All of the things are below. Stay tuned. It could get a little crazy again. Please let us know if you have any questions. Thanks for your time and have a great weekend!

### **Floor Debate Notes**

#### **LAGERS Board of Trustees**

The Senate dedicated floor time Monday afternoon to debate SB 898, sponsored by Senator Rusty Black (R-Sullivan). The bill modifies the LAGERS board of trustees by replacing the employer trustee with a retiree trustee, expands the definition of employer trustee to allow for executive level trustees, removes the specific requirements for their annual meeting and election procedures and amends the quorum requirement to a simple majority. During floor debate, the sponsor offered a substitute to include SB 1267, which modifies the definition of "earnable compensation" as used by the Police Retirement System of St. Louis and SB 1286, which modifies provisions relating to limitations on working after retirement for members of the Public School Retirement System and the Public Education Employee Retirement System. Additionally, the substitute includes language to protect public retirement systems by the closure of records by an investment fiduciary. During debate, Senator Doug Beck (D-St. Louis) amended the bill to include SB 877 which allows members of the Public School Retirement System of Missouri who have 32 or more years of creditable service, regardless of age, to have their retirement allowance calculated using a multiplier of 2.6%. Once modified, the Senator provided its first of two necessary approval votes. The Senate dedicated floor time Thursday morning to revisit SB 898. After no further debate, the Senate passed the bill by a 31-1 vote. The bill now will be sent to the House for further consideration.

## **Committee Notes**

### **Public Employee Retirement Systems**

The Senate Veterans, Military Affairs and Pensions Committee convened Tuesday afternoon to discuss 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 House 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. Additionally, the bill exempts monies received from judgements and civil actions for emergency responders if the payout received is for a higher rank. During committee discussion, substitute language was adopted to mirror SB 898, which modifies the LAGERS board of trustees by replacing the employer trustee with a retiree trustee, expands the definition of employer trustee to allow for executive level trustees, removes the specific requirements for their annual meeting and election procedures and amends the quorum requirement to a simple majority. Once modified, the committee passed the bill by a 5-0 vote.

### **Blind Pension**

The House Pensions Committee convened Tuesday morning to consider passage of HB 2585, sponsored by Representative Yolanda Young (D-Kansas City). Currently, any notice sent to an applicant or recipient of Blind Pensions Funds must be sent by certified mail. This bill removes that requirement and allows notices to be sent by the US Postal Service. After brief discussion, the committee passed the bill by an 8-0 vote.

The House Healthcare Reform Committee convened Tuesday afternoon to consider passage of HB 2675, sponsored by Representative Yolanda Young (D-Kansas City). Currently, to remain eligible to receive a pension from the Blind Pension funds, a recipient must present certification of no usable vision to the Department of Social Services every five years. This bill changes the number of required years for a reexamination certificate to seven. During discussion, substitute language was adopted which made technical corrections and corrected a drafting error which deleted a current section of statute. Once modified, the committee passed the bill by a 13-0 vote.

### **Sheriff's Retirement Fix**

The House Pensions Committee convened Tuesday morning to consider passage of SJR 71, sponsored by Senator Rusty Black (R-Sullivan). This is the Senate companion bill to HJR 96, sponsored by Representative Barry Hovis (R-Whitewater) and this constitutional amendment, upon voter approval, authorizes the levying of costs and/or fees to support salaries and benefits for law enforcement personnel, including sheriffs and former sheriffs, prosecuting attorneys and former prosecuting attorneys, and circuit attorneys and former circuit attorneys. After no discussion, the committee passed the bill by a 7-0 vote.

### **Tuition for Military Personnel**

The House Veterans Committee convened Tuesday morning to discuss HB 1832, sponsored by Representative Aaron McMullen (R-Independence). The bill clarifies that certain military service personnel, their spouses, and their unemancipated children under 24, Missouri National Guard members, and any individuals serving in the reserves, be considered Missouri residents for the purposes of any undergraduate or graduate degree program in Missouri institutions of higher education. No supporting or opposing testimony was presented to the committee.

### **Purchasing by Certain State Departments**

The House Special Committee on Government Accountability convened Tuesday morning to discuss HB 2803, sponsored by Representative Ed Lewis (R-Moberly). The bill allows, with consultation with the Office of Administration, to develop policies which would allow the Department of Social Services and Department of Elementary and Secondary Education to purchase services directly from private and public vendors in the State using appropriated funds, covering various services for individuals affected by mental disorders, disabilities, or substance abuse. Feeding Missouri provided informational testimony stating the language regarding “pass through organizations” needs to be narrowed. After brief discussion, the committee passed the bill by a 10-5 vote.

### **Cryptocurrency**

The House Special Committee on Innovation and Technology convened Wednesday afternoon to discuss HCR 60, sponsored by Representative Phil Christofanelli (R-St. Peters). This resolution recognizes the emerging role of Bitcoin and encourages state retirement agencies to explore the potential of digital-asset ETF's. Satoshi Action Fund provided supporting testimony. Missouri State Employee Retirement System provided informational testimony regarding how bitcoin is relative to stocks and bonds. No opposing testimony was presented to the committee.

### **Missouri Geospatial Advisory Council**

The House Special Committee on Innovation and Technology convened Wednesday afternoon to discuss SB 1039, sponsored by Senator Steven Roberts (D-St. Louis). The bill will establish the Missouri Geospatial Advisory Council within the Office of Administration. The group will assist and advise the state in ensuring availability, implementation, and enhancement of a statewide geospatial data infrastructure. Greater STL Inc., MOSERS and MO Chamber of Commerce and Industry presented supporting testimony stating that there is work that is underway in STL and this bill brings a tremendous opportunity to build on that work and this group would provide the means to pursue those opportunities.

### **Driver Education Program**

The House Special Committee on Innovation and Technology convened Wednesday afternoon to consider passage of HB 1688, sponsored by Representative Rodger Reedy (R-Windsor). The bill will require the State Board of Education to create a driver education program for grades 10-12. It will cover things like safe driving habits, avoiding distractions, and what to do during a traffic stop. The bill will not prohibit schools from offering additional driver education courses. After no discussion, the committee passed the bill by a 7-0 vote.

### **Highway Patrol Salaries**

The House Special Committee on Public Policy convened Wednesday afternoon to discuss HB 2701, sponsored by Representative Ron Copeland (R-Salem). Currently, the salary schedule report prepared by the Superintendent of the State Highway Patrol must include a comparison of the three largest police departments in Missouri. The bill requires the report to also include a comparison of the salaries and benefits of police officers employed by the law enforcement agencies in surrounding states to ensure parity. Missouri State Troopers Association provided supporting testimony stating Missouri is slipping in the rankings versus the nine surrounding states in starting pay. No opposing testimony was presented to the committee.

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

The Senate Government Accountability Committee convened Thursday morning to discuss 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. After no discussion, the committee passed the bill by a 6-0 vote.

### **Earnings Taxes**

The Senate Fiscal Oversight Committee convened on Thursday morning to discuss SB 993, sponsored by Senator Ben Brown (R-Washington). Current law authorizes the cities of St. Louis and Kansas City to levy an earnings tax on the income of residents and nonresidents performing work in the city, with a rate not to exceed 1%. For all tax years beginning on or after January 1, 2025, this act provides that the rate of tax imposed in St. Louis City may be reduced over a period of years. Each reduction shall be by 0.1% and shall only occur if the amount of annual revenue received, as defined in the act, in the previous fiscal year is greater than the amount of annual revenue received in the fiscal year immediately previous to such fiscal year by at least 3%. No supporting testimony was presented to the committee. The City of St Louis Policy Director provided opposing testimony stating this would have a negative fiscal impact on city services and public safety services.

### **Relating to Taxation**

The Senate Economic Development and Tax Policy Committee met Thursday to discuss SB 1496, sponsored by Senator Nick Schroer (R-O'Fallon). The bill modifies several provisions relating to taxation. Specifically, the bill requires the State to provide a payment of \$1,500 to any eligible taxpayer that timely files their tax returns. Additionally, the bill prohibits any tax from being imposed on Missouri taxable income. Lastly, the bill increases the state sales tax rate from 4% to 9% and increases the food tax from 1% to 6%. No supporting or opposing testimony was presented.

### **Budget Update**

Although the House may temporarily be finished crafting the FY2025 budget, the Senate's work is just beginning. Senator Lincoln Hough (R-Springfield) has announced no committee hearings or negotiations will take place on the budget until SB 748, which renews the sunset on the Federal Reimbursement Allowance (FRA), has passed out of the Senate. The FRA funds a large percentage of Missouri's Medicaid budget and Senator Hough has publicly stated this is necessary to craft a truly balanced budget.

In the spirit of compromise, the Senate dedicated floor time Tuesday afternoon and late into the evening, debating HB 264, sponsored by Representative Cody Smith (R-Carthage) which prohibits public funds being expended to any abortion facility, or affiliate or associate thereof, including for MO HealthNet reimbursement. After 11 hours of debate, the Senate eventually passed the bill by a 23-10 vote. The bill now will return back to the House for further consideration.

Now that HB 2634 has passed through the Senate, many are hopeful that the FRA will not be blocked or amended to include the controversial planned parenthood language. Once the FRA has passed, the Senate is expected to begin crafting their version of the FY2025 budget. As there are only five weeks of session left, rumblings have already started that the budget may need to be completed during a special session as the Constitutional deadline of May 10<sup>th</sup> may not be achievable.

## Tidbits

- On Wednesday, Governor Parson announced that the Missouri Department of Public Safety has approved 70 grants totaling \$5 million to law enforcement, fire service, and EMS providers in class three counties across the state for new equipment to allow first responders to better respond to emergencies and provide additional protection as they do their jobs. Grant funded equipment includes patrol vehicles, mobile data terminals, body cameras, firefighter turnout gear, extrication equipment, ambulances, cardiac monitors, pediatric resuscitation devices, and emergency communications radios.
- On Monday, in a 20-0 vote, the National Association of Intercollegiate Athletics (NAIA) approved a policy which only allows athletes to compete in women's sports if they were assigned the female gender at birth. The new directive applies to all NAIA competitions. The NAIA is a national athletic governing body for 249 mostly small colleges across the country that are not part of the NCAA's three divisions of competitions.
- Wednesday, the U.S. Senate Committee on Banking, Housing and Urban Affairs conducted a hearing regarding complaints received against the Missouri Higher Education Loan Authority (MOHELA). The hearing was conducted after a report from the Student Borrower Protection Center (SBPC) alleged four in ten people with a loan serviced by MOHELA have been impacted by servicing failures. There are currently two class-action lawsuits alleging MOHELA mismanaged loans.
- The House dedicated floor time Tuesday evening to debate HB 2874, sponsored by Representative Brian Seitz (R-Branson). The bill establishes the "Protecting Missouri's Small Businesses Act." Specifically, the bill defines "shutdown order," and requires 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. After a brief debate, the House provided the first of two necessary approval votes.
- The House dedicated floor time Wednesday morning to debate HB 2719, sponsored by Representative Brad Hudson (R-Cape Fair). In 1993, HB 188 was signed into law, and it created the Division of Tourism Supplemental Revenue Fund for the purpose to maintain the operations of the MO Division of Tourism within the Department of Economic Development and it also created a revenue funding formula. Through this formula, a percentage of growth in tax revenues from tourism related businesses was supposed to be reinvested each year for tourism marketing. The formula went into effect June 1, 1994, and has been reauthorized in subsequent years and in 2013 the General Assembly approved a seven-year sunset, which expired on June 30, 2020. Although the Fund has sunset, it is still in operation and the intent of the legislation is to fix the sunset oversight and allow the Department to continue utilizing the Fund for tourism marketing purposes. After a brief debate, the House passed the bill Consent by a 128-16 vote.
- The House Special Committee on Government Accountability convened Tuesday morning to consider passage of HB 2317, sponsored by Representative Jeff Knight (R-Lebanon). The bill would exempt established dealerships from having to do a prior sales inspection on vehicles that are less than three years old, with less than 40,000 miles. During discussion, substitute language was adopted to reduce to less than 36,000 miles, since that is the minimum warranty coverage provided on a vehicle. Additionally, the committee substitute would allow an established

dealership to do their own odometer reading and VIN inspections. Once modified, the committee passed the bill by a 15-0 vote.

- The House Special Committee on Government Accountability convened Tuesday morning to discuss HB 2803, sponsored by Representative Ed Lewis (R-Moberly). The bill allows, with consultation with the Office of Administration, to develop policies which would allow the Department of Social Services and Department of Elementary and Secondary Education to purchase services directly from private and public vendors in the State using appropriated funds, covering various services for individuals affected by mental disorders, disabilities, or substance abuse. Feeding Missouri provided informational testimony stating the language regarding “pass through organizations” needs to be narrowed. After brief discussion, the committee passed the bill by a 10-5 vote.
- The House dedicated floor time Wednesday afternoon to debate HB 1480, sponsored by Representative Brad Christ (R-St. Louis). The bill establishes a tax credit for up to 20% of a capital investment in property made by a qualified manufacturing company for up to five years. The capital investment must equal at least \$1 billion and create 500 or more jobs in Missouri. The total amount of tax credits issued annually may not exceed \$200 million. Additionally, the language includes a 10-year sunset, clarifies that the employment is based on full time workers, and bases the tax year to fiscal year instead of calendar year. During debate, the bill was successfully amended to require preference be given to Missouri citizens for the first 150 jobs created and U.S. companies which relocate back from foreign adversarial countries, including China. Once modified, the House provided the first of two necessary approval votes.
- The House Special Committee on Innovation and Technology convened Tuesday to discuss HB 1688, sponsored by Representative Roger Reedy (R-Windsor). The bill will require the State Board of Education to create a driver education program for grades 10-12. It will cover things like safe driving habits, avoiding distractions, and what to do during a traffic stop. The bill will not prohibit schools from offering additional driver education courses. The Missouri Insurance Coalition and private citizens presented support stating that this bill will help encourage safer driving.

### **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**

- 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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