

April 20, 2023

There are 14 working days left in the 2023 regular session. There are a few Republican majority priorities still outstanding: IP reform, gender affirming care (House needs to pass a bill), sports betting and a St. Louis crime bill.

Both chambers moved through the calendars, despite the Senate appropriations committee completing its work on the budget. To date, the House has sent the Senate 152 bills, resolutions and joint resolutions for consideration, while the Senate has only sent 74 bills, resolutions and joint resolutions to the House for consideration.

It's that time of year. We will not be issuing a report the final two weeks of the session, but we will be sending updates on priorities as they become available.

Please do not hesitate to let us know if you have any questions or concerns. Thanks and have a great afternoon!

Floor Debate Notes

Public Employee Incentives

The House dedicated floor time Monday to revisit HB 471, sponsored by Representative John Black (R-Marshfield). In order to encourage retention or exceptional employment achievement, this bill provides for personnel payments to be made according to specific, written criteria, predetermined, and approved by the department director in writing, at least one year prior to the exceptional employment achievement. The bill provides that payments authorized by the bill shall not exceed 20% of the employee's base wages or salary and are awarded upon the completion of the retention period in question and not more frequently than biennially (payments indicated in the bill are not considered as a bonus in violation of Article III, Section 39 of the Missouri Constitution). During committee discussions, substitute language was adopted to change the word "state" to "public" in order to include municipal employees. During debate, the sponsor successfully amended the bill to apply the provisions to public school employees and further clarified the definition of public employee. Representative Ed Lewis (R-Moberly) also amended the bill to allow a pay differential for teachers who teach in hard-to-staff schools or hard-to-staff subjects. There was little further debate before the House passed the bill by a 107-17 vote. The bill now will be sent to the Senate for further debate.

Show Me My Retirement Savings Plans

The House dedicated floor time Monday to revisit HB 155, sponsored by Representative Mike O'Donnell (R-St. Louis). The bill creates the "Show-Me My Retirement Savings Administrative Fund", which is a multiple-employer retirement savings plan treated as a single plan under Title I of The Employee Retirement Income Security Act of 1974. During debate, the bill was amended to create a retirement plans omnibus bill. Specifically, the bill now includes:

- SB 77 which modifies the amortization schedule of retirement plans and adds speech pathology assistants and speech implementers to PSRS.
- A provision to double the time a retired teacher may work in a certified position without affecting their retirement benefits and increased the multiplier for retired teachers to 2.5%.
- Modifies the surviving spouse benefits for fallen St. Louis Police officers.
- Exempts general assembly members who are retired so they may receive retirement benefits.
- HB 934 which modifies the Sheriff's Retirement System.

After a brief date, the House passed the bill by a 141-0 vote. The bill now will be sent to the Senate for further consideration.

Committee Hearing Notes

Postsecondary Degree Requirements for State Employment

The Senate Education and Workforce Development Committee convened Tuesday morning to discuss SB 476, sponsored by Senator Curtis Trent (R-Springfield). The bill prohibits state agencies and departments from denying consideration of employment for individuals who do not hold a postsecondary degree under certain circumstances. During committee discussion, the bill sponsor said the provisions would not apply to positions of employment which require professional degrees to perform, such as attorneys, medical professionals, or teachers, but would allow departments to hire individuals with credentials or experiences which are adequate for the performance of the position. The Cicero Institute testified in support. There was no opposing or informational testimony presented.

Employee Securities Income Tax Deduction (ESOP)

The House Committee on Tax Reform convened Tuesday afternoon to consider passage of SB 247, sponsored by Senator Justin Brown (R-Rolla). Current law allows for an income tax deduction equal to 50% of the net capital gain from selling Employer Securities to a qualified MO employee stock ownership plan, this deduction expires in December 2022. The bill reauthorizes the tax credit and removes the sunset. During the bill's Senate progression, the bill was amended to include SB 75, which allows teachers to earn up to the annual earnings limit applicable to a Social Security recipient before the calendar year of retirement. Additionally, the amendment allows a retired teacher or noncertificated employee who is receiving a PSRS retirement benefit to work full time for a school district that has demonstrated a shortage of certified teachers or noncertificated employees for two to four years. Lastly, the amendment 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 2.55%, and establishes a process to remove a same sex domestic partner as a beneficiary in the event of a separation. Additionally, the bill freezes the property tax for seniors that are 65 years or older and exempts social security benefits from being taxed. During committee discussion, substitute language was adopted to further amend the bill to include:

- SB 275, which creates a sales tax exemption for utilities, equipment, and materials used to generate or transmit electricity;
- HB 1134, adjusts the "circuit breaker" tax credit annually to account for inflation;
- HB 1141, which removes used tangible personal property from the requirement of the collection of sales tax, which only applies to used property for auction items;
- HB 816, seeks to eliminate the corporate income tax and exempts social security benefits from income taxes and provides a concurrent reduction with the Bank Franchise Tax;
- HB 713, which reduces motor vehicle personal property tax by a ten year depreciation table; and
- removes an obsolete statute regarding dog taxes.

Once modified, the committee passed the bill by an 8-3 vote.

Tidbits

- On Monday, the Missouri 988 Suicide and Crisis Lifeline launched a new website. Instead of calling 911, people should call 988 if they are experiencing a behavioral or mental health crisis and need help. The Missouri Department of Mental Health stated the crisis line helps alleviate the workload on law enforcement and emergency responders. The website is www.missouri988.org

- On Monday, Judge Scott A. Millikan filed an order to hold St. Louis Attorney Kim Gardner in contempt of court after prosecutors from her office failed to show for a murder trial. The prosecutor assigned to the case is on sick leave. Judge Millikan has ordered Gardner's office to show cause for why she should not be held in criminal contempt and ordered to pay a fine or face jail time. His filing comes on the eve of a hearing scheduled where Gardner's attorneys are expected to argue why a lawsuit seeking her removal should be dismissed. That hearing took place on Tuesday and an agreement to start the trial on September 25th was reached. However, Gardner was offered seven days to file paperwork on a motion to dismiss.
- On Wednesday, the USDA announced the availability of \$20 million to deliver broadband technical assistance resources for rural communities and to support the development and expansion of broadband co-ops. The agency is offering the funding under the new Broadband Technical Assistance Program which supports technical assistance projects such as feasibility studies, completing network designs, and developing broadband assistance applications.
- On Tuesday, the Department of Corrections announced that it has partnered with multiple state departments to join Reentry 2030, which seeks to significantly improve success for those reentering society after prison. The program aims for 80% of formerly incarcerated Missourians to maintain employment for at least nine months after release. Missouri is the first state to join the national initiative to help those leaving prison find and keep employment and the next step is to form a Reentry 2030 advisor team.
- On Thursday, Governor Mike Parson announced the Department of Public Safety has approved 428 grants totaling over \$6.3 million to law enforcement, fire service and EMS providers across the state for new equipment, supplies, personnel and training. Grant funded equipment includes patrol vehicles, mobile data terminals, firefighter turnout gear, extrication equipment, cardiac monitors and emergency communications radios. Grants to additional law enforcement, fire service and EMS agencies are still under review. The maximum grant amount to recipients was \$20,000. The list of law enforcement grant recipients is available [here](#). The list of fire service grant recipients is available [here](#). The list of EMS grant recipients is available [here](#).
- On Monday, Governor Mike Parson announced two new appointments to the University of Missouri Board of Curators: Bob Blitz of Blitz, Bardgett & Deutsch Law Firm and Robert Fry of Fry Orthodontic Specialists in Greenwood. Bradley Cooper, from Willard, was appointed as the Student Representative for the Missouri State University Board of Governors. He is currently pursuing degrees in Socio-Political Communication and Public Relations. Clayton Eftink, from Cape Girardeau, was appointed as the Student Representative for the Southeast Missouri State University Board of Governors. He is currently pursuing degrees in Finance and Business Administration.
- The House dedicated floor time on Tuesday to debate HR 561, sponsored by Representative Cameron Parker (R-Campbell). This bill establishes April 8, 2024, as "Total Eclipse Day" in Missouri. During discussion, substitute language was adopted to add all twenty counties that are affected by the eclipse. There was little further debate before the House passed the bill by a 111-2 vote. The bill now will be sent to the Senate for further consideration.

Omnibus Crime Bill

The Senate dedicated floor time Monday afternoon to debate SB 189, sponsored by Senator Tony Luetkemeyer (R-Parkville). The bill establishes Max's Law, which would increase the penalty for assaulting a law enforcement animal by making it a class a misdemeanor if the animal is injured, a class e felony if the animal is severely injured, and a class d felony if the assault results in the

animal's death. Additionally, this act adds that any dog that is owned by or in the service of a law enforcement agency and bites or injures another animal or human is exempt from the penalties of the offense of animal abuse. The bill also includes SB 36, which seeks to modify provisions related to expungements to provide a path for a second chance for individuals who have paid their debts to society and SB 37, which allows the Missouri Office of Prosecution Services may establish a conviction review unit to investigate claims of actual innocence of any defendant, including those who plead guilty.

During debate, the sponsor offered substitute language to include several provisions relating to Blair's Law, expanding mental health services for detainees, modifying time served requirements, expungement provisions, persistent offender provisions, increases the 24hr hold to 48 hr hold of accused violent offenders, and several provisions relating to juveniles. Senator Mike Moon (R-Ash Grove) then attempted to amend the bill to include SB 693, which creates the offense of engaging in an adult cabaret performance if such performance is on public property or in a location where the performance could be viewed by a person who is not an adult. Senator Greg Razer (D-Kansas City) then attempted to amend Senator Moon's amendment allowing any person who is at least twelve years of age and married may attend a performance of male or female impersonators who provide entertainment, regardless of whether performed for consideration. After some debate, Senator Moon eventually withdrew his amendment.

Senator Holly Thompson Rehder (R-Sikeston) then successfully amended the bill to include SB 480, which would legalize the manufacture, sale, possession and use of fentanyl test strip kits in Missouri. Senator Steven Roberts (D-St. Louis) then amended the bill to remove provisions relating to juvenile needs and risk assessment, removed the 48 hour hold provisions, and modified prisoner release provisions. Once modified, the Senate provided its first of two necessary approval votes by a 24-10 vote. The Senate dedicated floor time Thursday afternoon to revisit the bill. After no debate, the Senate passed the bill by a 25-9 vote. The bill now will be sent to the House for further consideration.

Budget Update

The Senate Appropriations Committee convened this week and completed crafting the Senate version of the FY 2024 budget. The committee worked over two days and added more than \$3 billion to the House-approved budget. The House-approved version of the budget had a spend-plan of \$45.6 billion, which was \$2 billion less than the budget proposed by Governor Mike Parson at \$47.7 billion. The fourteen spending bills will be debated in the Senate next week, which will set the stage for negotiations with the House to work through the differences between the two chambers before the constitutional May 5th deadline.

Some of the biggest items added Wednesday were \$300 million for the Department of Mental Health to build a new psychiatric hospital in Kansas City and \$461 million to increase the rates paid to personal care workers who assist those with developmental disabilities. The committee also restored \$4.5 million for public libraries, continued the pay plan and mileage increases for state employees, restored the \$82 million Governor's proposal to increase pre-K programs in school districts, restored the full 7% inflationary funding for higher education institutions, and increased funding to many TANF programs.

The largest item included by the Senate in the budget is the expansion of I-70. The committee has proposed spending \$1.4 billion in general revenue and financing additional funding through bonds. The bonding for the other half of the cost of the project would be at the maximum of 15

years, with an annual payment of roughly \$132 to \$135 million a year which the committee also included in the FY 2024 budget.

The controversial DEI language present in the 13 spending bills for state operations and added by Representative Doug Richey (R-Excelsior Springs) was removed from the bills as well as the supplemental appropriation bill. Committee members stated the uncertainty associated with the language was the cause and none of the fourteen members of the committee objected or tried to narrow the language.

The House also finished crafting their version of the FY 2024 Capital Improvement bills this week. The four bills will add about \$2.4 billion to the state spending for FY 2024. There were few major changes on the House floor. One of the larger amendments adds \$5 million from the Parks Fund for work on the Rock Island Trail and barely passed by a 72-71 vote. Attempts by Democratic members to tap into any of the funding for I-70 were soundly defeated by voice votes.

Advertisement for State Bids

The House Economic Development Committee convened Wednesday morning to consider passage of HB 752, sponsored by Representative Jeff Knight (R-Lebanon). The bill repeals requirements that the Office of Administration publicize bids for state contracts in newspapers or print media. The sponsor informed the committee he would be open to a compromise to require the use of newspapers for the area the project is located. During committee discussion, substitute language was adopted to include compromise language that eliminates the requirement for bids to be published statewide but does require notice for bids to be published in the location the project will take place. Additionally, the substitute adds provisions from HB 400, which allows the posting of delinquent taxes be posted in newspapers for one week and then posted in county courthouses and county websites for two consecutive weeks and HB 344, which requires delinquent land and lots be posted on county websites or in county courthouses for three weeks if no local newspaper or publication is available. Once modified, the committee passed the bill by a 7-5 vote.

Hearings

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

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

Key Upcoming Dates:

- May 5, 2023 – Constitutional Deadline to pass the FY2024 state budget
- May 12, 2023 – Last day of Legislative Session
- July 1, 2023 – First day of the new fiscal year
- July 14, 2023 – Last day for Governor Parson to sign or veto legislation
- September 13, 2023 – Veto Session

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