

March 9, 2023

A recap of the week, committee and floor notes are below and attached.

The House was busy voting, amending and passing. The Senate focused on health care rights of the LGBTQ+ community for most of the week and adjourned abruptly for the week after an agreement still could not be reached.

No reports next week due to the legislature being on spring break. We will be back on March 23. Thanks and enjoy the rest of your week.

### **Committee Hearing Notes**

#### **Show-Me MyRetirement Savings Plan**

The House Pensions Committee convened Tuesday morning to consider passage of HB 155, sponsored by Representative Michael O'Donnell (R-St. Louis). The bill establishes the "Show-Me MyRetirement Savings Administrative Fund," which attempts to pool several small employers (those with 50 or less employees) from across the state into one multiple-employer retirement saving plan. Employees would be allowed to opt out of the plan at their discretion. Additionally, the bill creates the "Show-Me MyRetirement Savings Board" within the Office of the State Treasurer, to design, develop, and implement the plan. During committee discussion, substitute language was adopted to remove the employee opt out provisions as this provision is now in federal statute. Additionally, the substitute modified language to ensure a person cannot be removed from the plan, and also ensure any requests made to plan are not public record. Once modified, the committee passed the bill by a 9-0 vote.

#### **State Retirement Funds**

The House Pensions Committee convened Tuesday morning to consider passage of HB 222, sponsored by Representative Bill Owen (R-Springfield). Currently, there are two state pension funds, LAGERS and MOSERS, that will stop if you serve in the General Assembly or as an elected state official. The bill allows an individual currently drawing a retirement benefit under a state retirement plan to serve as a member of the General Assembly or as an elected state official and continue to draw their retirement annuity and cost of living adjustments. During committee discussion, substitute language was adopted to include HB 923, sponsored by Representative Barry Hovis (R-Whitewater), modifies terms of active employee members of the Board of Trustees of the Missouri Department of Transportation and Highway Patrol Employees' Retirement System by offsetting board members to two-year staggered terms. Once modified, the committee passed the bill by a 9-0 vote.

#### **State Employee Incentives**

The House Committee on Government Efficiency and Downsizing convened Wednesday morning to consider passage of 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

discussion, substitute language was adopted to change the word “state” to “public” in order to include municipal employees. Additionally, the substitute changed biennially to annually to provide flexibility. Once modified, the committee passed the bill by a 10-0 vote.

### **Federal Grant Money for Broadband**

The House Special Committee on Tax Reform convened Monday morning to consider passage of SB 25, sponsored by Senator Lincoln Hough (R-Springfield). Currently, what the Federal Government taxes or exempts, the State taxes or exempts unless the State specifically exempts it by law. The bill seeks to exempt state taxes from being collected on broadband grants that the Federal Government has administered to the State of Missouri. During committee discussion, substitute language was adopted to align the language with HB 1076, which is similar to SB 25, however has an effective date of January 1, 2022 and exempts federal, state, and local taxes from being collected on broadband grants. Once modified, the committee passed the bill by a 9-0 vote.

### **Overtime Pay Tax Deduction**

The Senate Economic Development and Tax Policy Committee met Monday afternoon to discuss SB 452, sponsored by Senator Mike Moon (R-Ash Grove). The bill provides an income tax deduction on any overtime worked in Missouri. The sponsor's intent with the legislation is to provide an incentive and some tax relief on overtime pay. No supporting or opposing testimony was presented.

### **Tax Reform Fund**

The House Special Committee on Tax Reform convened Tuesday afternoon to discuss HB 1252, sponsored by Representative Bishop Davidson (R-Republic). The bill creates the “Tax Reform Fund” that would be funded not to exceed \$200 million and establishes triggers when the fund can be utilized. In the event of budget short falls, the fund could be drawn from and utilized to meet budget shortfalls. In addition to the fund being fully funded, general revenue surplus would be required to be at \$20 million or more. Lastly, in addition to a .15% decrease in income tax, there would be a .1% increase in sales and use tax. The sponsor's intent with the legislation is to eventually phase out the personal income tax in MO. No supporting testimony was presented. The MO NEA opposed the bill stating raising the sales and use tax would have a drastic impact on low-income families, and if the bill goes into effect it would place MO at the highest national sales and use tax rate.

### **Veteran Tax Exemption**

The House Special Committee on Tax Reform convened Tuesday afternoon to discuss HJR 11 sponsored by Representative Dave Griffith (R-Jefferson City). Currently, all real property used as a homestead of any citizen of this state who is a former prisoner of war and who has a total service-connected disability, is exempt from taxation. Upon voter approval, the resolution would exempt all real property used as a homestead from taxation for any military veteran that has a 100% service-connected disability. No supporting or opposing testimony was presented. The Silver Haired Legislature provided informational testimony and requested “regardless of income” be included within the bill to ensure the veteran receives the benefit even if the veteran is married and shares an income or social security benefits.

The committee then turned its attention towards HJR 7, sponsored by Representative Ann Kelley (R-Lamar). The resolution is similar to HJR 11 highlighted above, and upon voter approval, the resolution authorizes a real and personal property tax exemption for any military veteran who has a 100% service-connected disability. Committee discussion and testimony mirrored HJR 11.

## **Expanding Public Sector Career Opportunities Act**

The House Workforce and Infrastructure Development Committee convened Wednesday morning to consider passage of HB 733, sponsored by Representative Mitch Boggs (R-LaRussell). The bill creates the "Expanding Public Sector Career Opportunities Act", which specifies that public employers shall not deny consideration to an applicant for hiring consideration solely on the basis that the applicant does not have a postsecondary degree. The intent of the bill is to provide an opportunity for those that do not have a degree but have a skillset to qualify for employment. During committee discussion, substitute language was adopted to change the reference "public employer" to "state agency". Once modified, the committee passed the bill by an 8-0 vote.

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