

STRATEGIC CAPITOL

C O N S U L T I N G

February 7, 2025

After months of bill filing and several weeks of committee hearings, the Missouri Senate finally saw floor action on some bills this week. Although several Senators were out due to the flu, the Senate was able to work swiftly through the floor calendar and passed a couple of noncontroversial bills. Meanwhile, the House saw no shortage of committee hearings this week and dedicated the majority of their time to several marathon hearings discussing controversial issues such as abortion and transgender rights. While it seems both chambers continue to run smoothly, a lot can happen within the remaining 99 days!

Committee and Floor Updates

Police Pensions

The House Pensions Committee met Thursday morning to consider passage of HB 147, sponsored by Representative Barry Hovis (R-Whitewater). The bill modifies the calculation of earned compensation for members of the city of St. Louis Police Retirement System to include any compensation awarded as part of a judgement or settlement to a member of the System who is involved in a legal challenge based on their rank. After no committee discussion, the committee passed the bill by a 16-0 vote.

Fiduciary duties

The House Pensions Committee convened Thursday morning to consider passage of HB 657, sponsored by Representative Bill Owen (R-Springfield). The bill codifies fiduciary duties of trustees of public employee retirement systems to exclude consideration of social, environmental, or noneconomic factors or goals when considering investments on behalf of the system's members. The bill also requires proxy voting to be conducted solely by internal public employee retirement system staff or an investment manager who has committed in writing to solely act in the best economic interests of the plan and its participants, without consideration of social, political, ideological, environmental, or other noneconomic goals. During committee discussion, Representative Kathy Steinhoff (D-Columbia) offered a committee amendment to remove references of environmental, social, and governance (ESG). After considerable discussion, the amendment failed, and the committee then passed the bill by an 11-5 vote.

Divesting from foreign adversaries

The House Pensions Committee met Thursday morning to discuss HB 977, sponsored by Representative Barry Hovis (R-Whitewater). The bill seeks to provide safeguards for MO state pension funds by requiring divestment from high-risk investments tied to some of the countries of the Republic of China and other entities that are deemed national security risks. Pension boards must review their holdings by December

1st of 2025 and divest from restricted investments by August 28th of 2026. The MO State Treasurer supported the bill and stated this measure would protect Missouri's public employee retirement funds from financial and national security threats posed by foreign adversaries and highlighted that bill includes safeguards to prevent divestment from directly harming pension performance. Additional supporting testimony was presented by State Armor Action, and State Shield. No opposing testimony was presented. The MO State Employees Retirement System provided informational testimony and stated the bill is consistent with current MOSER policies and noted the only potential cost is the need to hire an independent research firm to put together a restrictive entity list and scan the portfolio. PSRS/PEERS also provided informational testimony and stated the system follows federal regulations at all times.

Income tax deduction for private pensions

The House Pensions Committee met Thursday morning to discuss HB 44 and HB 426, sponsored by Representatives Mike McGirl (R-Potosi) and Jeff Verneti (R-Camdenton). The bills are identical and increases an individual's income tax adjustments related to private pensions by increasing from \$32,000 to \$64,000 for married filing combined, \$25,000 to \$50,000 for single, and \$16,000 to \$32,600 for married filing single. No supporting or opposing testimony was presented.

Tidbits

- This week, former State Senate Pro-Tem Peter Kinder was elected Chairman of the Missouri Republican Party. Kinder won the race 36-32 against former State Senator Bill Eigel. The party chair oversees multiple facets of the MO Republican Party, including fundraisers, developing voter outreach programs, fielding candidates, and establishing party messaging. After the narrow loss, Bill Eigel announced he will now be running for St. Charles County Executive.
- Former State Senate Pro-Tem Dave Schatz announced this week he will be running as the next Franklin County Commissioner. Current Presiding Commissioner Tim Brinker is resigning February 14, to take a job as a senior vice president for government relations with Greater St. Louis, Inc.
- Chappell Roan won Best New Artist at the Grammy Awards Monday evening. She is a Missouri Native and the niece of Representative Darin Chappell.
- After an increase of State revenues in December, January revenues seem to be in decline. January 2025, was reported 11.5% lower than January 2024, bringing the fiscal year-to-date position to a negative 2.1%. That is a shortfall of about \$167 million.

Budget Update

The House Budget and the Senate Appropriations Committees continued to work through departmental budget requests this week regarding ongoing operating expenses and requested new decision items (NDIs). On Monday the House Budget Committee reviewed HB 20 and the nearly \$2.6 billion of remaining funds from the American Rescue Plan Act (ARPA). All of the obligated funds must be spent by the end of calendar year 2026 or be transferred to the state's foundation formula. The Committees also reviewed Capital Improvement bills (HB 17, HB 18, HB 19), which detail ongoing maintenance and upgrades to state owned buildings and facilities and totals nearly \$1.87 billion.

Later in the week the Committees heard from the Office of Administration, National Guard, the Department of Revenue, MoDOT, the Department of Agriculture, and the Department of Natural Resources on

departmental spending plans. In particular members focused on the Governor's proposed spending plan which draws on revenue from the state's reserve funds to balance the shortfall from a drop in state revenue and increase in expected state expenses.

Of note, during a hearing on the Department of Revenue's budget request, Rep. Darin Chappell asked what affect "gray" amusement machines are having on state revenue. Missouri Lottery Director Lester Elder reported that national lottery sales are down 61.7% due to low jackpot totals not incentivizing player participation. Elder also reported a slump in pull tab machine participation, which is allocated at 500 machines statewide but only 412 are currently licensed.

Meanwhile, the Senate Appropriations Committee has been reviewing the requests and NDIs from the Department of Labor and Industrial Relations, the Department of Agriculture, the Department of Corrections and the Department of Public Safety. The majority of questions have centered on ongoing funding sources and impacts of the potential of federal funding losses.

Finally, State Budget Director Dan Haug announced that net general revenue collections for January 2025 decreased 11.5% compared to those for January 2024, from \$1.45 billion last year to \$1.29 billion this year and net general revenue collections for 2025 fiscal year-to-date decreased 2.2% compared to January 2024, from \$7.59 billion last year to \$7.42 billion this year. If revenue continues to decline the state may be forced to dip deeper into reserves to balance spending or cut programs.

Hearing Schedules

[House](#)
[Senate](#)

Chamber Floor Calendars

[House](#)
[Senate](#)

Upcoming Dates of Interest

- February 26, 2025 – State of the Judiciary Address
- February 28, 2025 – Last day to file legislation
- March 14-21, 2025 – Legislative Spring break
- April 21, 2025 – Easter holiday – no session
- May 9, 2025 – Last day to pass the FY26 budget
- May 16, 2025 – Last day of the 2025 legislative session
- September 10, 2025 – Veto session

Custom Bill Track Link

Your custom webpage URL for bill tracking is <https://govwatch.net/report/LGKp>

As a reminder, this is a hotlink and updates automatically as things are added, progress, or change.

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