



This week proved to be an interesting one. The House moved through its calendar efficiently and methodically perfecting and passing bills. The Senate, on the other hand, faced far more difficulty and controversy led predominately by the conservative caucus. While Senate leadership hoped to advance the Governor's workforce and economic development priorities, the conservative caucus thought otherwise and disallowed passage of two separate proposals. The fight is far from over, but this week signals floor struggles for the weeks that remain.

Missouri Works

The Senate dedicated floor time Monday afternoon to debate SB 56, sponsored by Senator Mike Cierpiot (R-Lee's Summit). The bill modifies the Missouri Works Program by establishing a closing fund via tax credits. The language allows 21.5% of the current Missouri Works credits to be expended by the Department of Economic Development for front-end financing for start-ups that create jobs within the state. During debate, Senator Cierpiot offered an amendment to increase the county average wage requirements for new payroll from 90% to 100%. Senator Bill Eigel (R-St. Peters) then attempted to further amend the bill by exempting companies that are receiving MO Works benefits from the state's prevailing wage laws. After two hours of debate, the Senate returned the bill to the calendar to be debated another day.

The House dedicated floor time Monday afternoon to debate HB 255, sponsored by Representative Travis Fitzwater (R-Holt's Summit). The bill is the House companion to SB 56, the bill detailed above. After no debate, the bill passed by a 136-29 vote. The bill now will be sent to the Senate for further consideration.

Merchandising practices

The Senate Government Reform Committee convened Tuesday morning to discuss SB 276, sponsored by Senator Caleb Rowden (R-Columbia). The bill modifies provisions relating to civil actions to recover damages for unlawful merchandising practices by establishing a reliance standard. This modification narrows the amount of damages recovered to out of pocket expenses, and requires a consumer to prove they acted reasonably and the act caused damages. The Healthcare Services Group, MO Organization of Defense Lawyers, American Tort Reform Coalition, Associated Industries of MO, MO Chamber of Commerce, NFIB, US Chamber for Institute Reform, APCIA, MO Justice Coalition, and MO Retailers Association provided supporting testimony. MATA and New Covenant Legal Services provided opposing testimony. St. Louis Homebuilders Association provided informational testimony requesting new home construction be exempt from the MMPA.

The committee then turned its attention to SB 62, sponsored by Senator Eric Burlison (R-Brookline Station). The bill modifies provisions regarding class action lawsuits for certain unlawful merchandising practices by limiting plaintiffs to compensatory damages, as opposed to compensatory and punitive damages. The American Tort Reform Association, Missouri Hospital Association, Missouri Organization of Defense Lawyers, Missouri Chamber of Commerce, U.S. Chamber Institute for Legal Reform, APCI, Missouri Civil Justice Reform Coalition, The Doctors Company, Associated Industries of Missouri, and Missouri Retailers Association provided supporting testimony. The MO Association of Trial Attorneys presented opposing testimony.

Venue shopping

The House Judiciary Committee met in executive session Tuesday evening to consider passage of HB 231, sponsored by Representative Glen Kolkmeier (R-Odessa). The bill is the house companion to SB 7, sponsored by Senator Ed Emery (R-Lamar), and modifies provisions of civil procedure regarding joinder and venue. This issue has been around for years and proves controversial. After brief discussion, the committee passed the bill by a 12-5 vote.

Fast-Track Workforce Incentive Grant

The Senate dedicated floor time Tuesday afternoon to discuss SB 16, sponsored by Senator Gary Romine (R-Farmington). The bill creates the Fast-Track Workforce Incentive Grant. The grant targets adults 25 years and older with needs-based assistance for tuition and fees based on occupational shortages as determined by the Coordinating Board for Higher Education. To kick-off debate, Senator Romine offered substitute language including the following provisions: SB 68, sponsored by Senator Lincoln Hough (R-Springfield), allowing the Department of Economic Development to include on its website the names and contact information of the members of the Missouri Workforce Development Board and members of any local workforce development board; SB 184, sponsored by Senator Wayne Wallingford (R-Cape Girardeau), that provides authority for the Department of Economic Development to restructure its current economic development organization by combining the state's current workforce training programs including customized training, new jobs training, and job retention into one cohesive program; and requires the Coordinating Board to designate eligible programs of study in connection with local education institutions and business organizations. During debate, multiple amendments were offered but withdrawn ultimately. The final amendment, offered by Senator Bill Eigel (R-St. Peters), modifies sales tax collection requirements for certain sellers and reduces the top income tax rate. After significant disagreement, the bill was returned to the calendar for further debate.

Arbitration

The Senate dedicated floor time Wednesday afternoon to debate SB 154, sponsored by Senator Tony Luetkemeyer (R-Parkville). The bill modifies law regarding arbitration agreements between employers and at-will employees. The sponsor's goal with the language is to ease the current burden on Missouri's court system, protect confidentiality for plaintiffs and defendants, and provide a more efficient resolution to employment disputes that arise. To begin debate, the sponsor offered substitute language that exempted collective bargaining agreements. Senator Lauren Arthur (R-Kansas City) successfully amended the language to require employers to notify employees of arbitration agreements in writing and separately from other contract information. Senator Scott Sifton (D-Affton) offered language to protect LGBTQ persons from discrimination. After some debate, the bill was returned to the calendar for further debate.

Transportation bonding

The House Transportation Committee convened Thursday morning to consider HCR 26, sponsored by Representative Becky Ruth (R-Festus). The resolution authorizes a financing agreement with the State Highways and Transportation Commission to provide funds appropriated on an annual basis from General Revenue Fund revenues to the State Road Fund for payment of the debt service on state roads. This resolution represents one of Governor Parson's priorities for the 2019 legislative session. As expected, numerous business, construction, and transportation entities joined to support the proposal aimed at improving Missouri's crumbling infrastructure including MODOT, MO Chamber of Commerce, MO Trucking Association, SITE Improvement Association, KC Chamber, Construction Employers Coalition, HNTB, Associated Industries of MO, MO Association of Counties, Ash Grove Cement, MO Municipal League, and 20 others. No opposing testimony was recorded.

Employee drug use

The Senate Small Business and Industry Committee held an executive session Thursday morning to consider passage of SB 227, sponsored by Senator David Sater (R-Cassville). The bill provides that an employer may refuse to accommodate the use of marijuana on its premises for any use described in Article XIV of the Missouri Constitution. Additionally, the bill provides that an employer may institute a random drug-testing policy. Receipt of a positive drug test for marijuana may be considered grounds for dismissal or refusal of employment. After no discussion, the committee passed the bill by a vote of 5-2.

Fuel economy

The Senate Transportation, Infrastructure, and Public Safety Committee held an executive session Thursday morning to consider passage of SB 201, sponsored by Senator Gary Romine (R-Farmington). The bill replaces the current registration fee system for certain motor vehicles with a fee system that is based on the vehicles' combined city/highway fuel economy. After brief discussion, the committee passed the bill by a 5-1 vote.

Low-income housing tax credits

The Senate dedicated floor time Thursday morning to consider final passage of SB 28, sponsored by Senator Dan Hegeman (R-Cosby). The bill places a cap on the Low-Income Housing Tax Credit Program. The language, establishes a cap of 72.5% of the federal tax credit level. After no discussion, the Senate passed the bill by a 31-0 vote. The bill now will be sent to the House for further consideration.

Sales tax

The Senate Ways and Means Committee convened Thursday morning to consider passage of SB 52, sponsored by Senator Bill Eigel (R-St. Peters). The bill phases out the state income tax and replaces it with an increase in state sales tax. Within the proposal's many provisions, local sales tax rates are capped at 8% and all tax years beginning on or after January 1, 2020, the bill further reduces the top rate of tax by 1.1%. During committee discussion, substitute language was adopted increasing the top rate of tax from 1.1% to 1.55%. Once modified, the committee passed the bill by a 4-3 vote.