



This week was rumored to be all things education. From expanding charter schools to establishing what many refer to as “school voucher programs,” the halls were abuzz with education advocates and lobbyists trying to push and pull legislators to their respective sides. Though, due to members being absent due to illness, all of the education chaos was for naught. House and Senate floors ran smoothly and efficiently progressed through bill calendars.

#### **Venue shopping**

The Senate dedicated floor time Monday to consider passage of SB 7, sponsored by Senator Ed Emery (R-Lamar). The bill modifies provisions of civil procedure regarding joinder and venue but grandfathered active cases. After last week’s 16-hour filibuster, the Senate quickly and easily passed the bill by a 24-7. The bill now will be sent to the House for further consideration.

#### **Film tax credit**

The House Economic Development Committee convened Monday evening to consider HB 923, sponsored by Representative Kathy Swan (R-Cape Girardeau). The bill authorizes a tax credit for qualified film projects and caps the program at \$4.5 million. The MO Motion Media Association, Kansas City Film Commissioner, Independence Mayor Pro Tem, Hallmark, City of Kansas City, MO Citizens for the Arts, Associated Industries of MO, Motion Picture Association of America, St. Louis Economic Development Partnership, and a SAG actor supported the bill. No opposing testimony was presented.

#### **Tax increase elections**

The House Downsizing State Government Committee met Monday evening to consider passage of HJR 19, sponsored by Phil Christofanelli (R-St. Peters). The resolution modifies voter turnout thresholds for tax increase elections. During committee discussion, Representative Jered Taylor (R-Nixa) amended the bill to eliminate the 50% threshold requirement and instead requires all tax increases to be placed on November ballots. Once modified, the committee passed the bill by a 5-3 vote.

#### **Missouri One Start Program**

The House dedicated floor time Monday afternoon to consider passage of HB 469, sponsored by Representative Derek Grier (R-Chesterfield). The bill 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. The objective is to allow the department greater flexibility to tailor programs for businesses interested in locating or expanding within the state. The House passed the bill by a 151-5 vote. The bill now will be sent to the Senate for further consideration.

### **Low income housing tax credits**

The House Economic Development Committee convened Monday evening to consider HB 665, sponsored by Representative David Gregory (R-St. Louis). The bill seeks to limit the low-income housing tax credit program to 95% of the federal government spend. During bill presentation, the sponsor indicated his support for the program but questioned the right percentage match of the federal program. Committee comments varied but some outspoken conservative members indicated that 95% was significantly too high for their comfort levels.

### **A+ program**

The Senate Education Committee convened Tuesday afternoon to consider SB 205, sponsored by Senator Lauren Arthur (D-Kansas City). The bill modifies provisions relating to the A+ Schools Program by expanding the program to dual enrollment high school students. During bill presentation, the sponsor indicated her intent to enable high school students the ability to earn college credits while in high school to make college more affordable. Though, recognizing issues with expanding the A+ program without sufficient funding, the sponsor proposed substitute language that prioritizes funding for the current A+ program, as it exists today. Should the A+ program receive full funding, this expansion then would become effective. Committee Chairman Gary Romine (R-Farmington) urged against watering down requirements for A+ eligibility and expanding the program without it being fully funded. The MO Community College Association, Aligned, and MO NEA supported the bill. The NKC School District and KC Chamber submitted supportive letters. No opposing testimony was recorded.

### **Taxes**

The Senate Ways and Means Committee convened Tuesday morning to discuss SJR 20, sponsored by Senator Andrew Koenig (R-Manchester). The constitutional amendment, if approved by voters, prohibits the General Assembly from setting an income tax rate exceeding 5.9%, prohibits a combined local sales tax rate in excess of 12%, and repeals Article X, Section 26, relating to sales taxes levied on transactions not taxed as of January 1, 2015. The Cozad Company Government Relations provided supporting testimony. The MO Realtors Association, NFIB, and MO Budget Project provided opposing testimony.

The Senate Ways and Means Committee then held an executive session to consider passage of SB 151, sponsored by Senator Andrew Koenig (R-Manchester). The bill, vetted and passed last year, reduces the corporate income tax rate from 6.25% to 4.0% for all tax years beginning on or after January 1, 2020. However, due to a drafting error, the bill corrects dates certain corporate income tax provisions become effective. During committee discussion, substitute language was drafted to correct technical errors. Once modified, the committee passed the bill by a 6-0 vote.

### **Unemployment compensation**

The House Special Committee on Small Business convened Wednesday morning to discuss HB 375, sponsored by Representative Phil Christofanelli (R-St. Peters). The bill is the House companion to SB 161, sponsored by Senator Mike Cunningham (R-Marshfield), and provides that any employer required to make contributions under unemployment compensation laws shall pay an annual unemployment automation adjustment equal to .015% of its total taxable wages for the twelve-month period ending the preceding June 30th. The Division of Employment Security is permitted to lower this rate under certain circumstances. Funds generated will be used to modernize the Department of Labor's computer programs used to calculate rates. The MO Department of Labor, Associated Industries of MO, MO Chamber of Commerce, and the MO Retailers Association provided supporting testimony. No opposing testimony was presented.

**Fuel tax**

The House Transportation Committee convened Thursday morning to contemplate HB 822, sponsored by Representative Steve Butz (R-St. Louis). The bill increases the fuel tax by \$0.10 from its current level of \$0.17 per gallon to \$0.27 per gallon using incremental increases of \$0.02 per gallon beginning January 1, 2020 and ending on January 1, 2024. Additionally, the bill requires alternative fuels to be taxed at a substantially similar rate approved by the Department of Agriculture. During committee discussion, committee members expressed concern with the lack of input from Missouri voters. The Construction Employers Coalition, SITE Improvement Association, Owner-Operator Independent Drivers Association, American Council of Engineering Companies, Missouri Society of Professional Engineers, AAA, Associated General Contractors of Missouri, Missouri Chamber of Commerce, Missouri Concrete Association, Missouri Farm Bureau, Missouri Kansas Chapter of the American Concrete Paving Association, Missouri Transportation and Development Council, Associated Industries of Missouri, and Missouri Corn Growers Association provided supporting testimony. The Missouri Petroleum Marketers and Convenience Store Association provided informational testimony and stated the reason for the extended date on alternative fuels was to give the departments time to find the best path forward to equally tax the fuels. No opposing testimony was presented.

**Port authority**

The House Transportation Committee convened Thursday morning to discuss HB 1061, sponsored by Representative Jon Patterson (R-Lee's Summit). The bill exempts sales and leases of real or personal property made by or to any port authority involving the use of such tax-exempt bonds from taxation. Port KC, Missouri Chamber of Commerce, and Greater Kansas City Chamber of Commerce provided supporting testimony. No opposing testimony was presented.