



# MISSOURI

## Legislative Update

The second half of the 2019 Missouri legislative session kicked off Monday. The House focused much of its week finalizing its version of the state's 2020 budget while the Senate steadily moved through its floor calendar. Activity will be full steam ahead for the final seven weeks that remain in session.

### **Buck O’Neil**

The House General Laws Committee convened Monday morning to discuss passage of HCR 34, sponsored by Representative Louis Riggs (R-Hannibal). The resolution urges the Baseball Hall of Fame to induct John Jordan “Buck” O’Neil who played for the Kansas City Monarchs and led the effort to establish the Negro Leagues Museum. The committee passed the bill with a unanimous vote.

### **Unemployment compensation**

The House Workforce Development Committee held an executive session Monday afternoon to consider passage of HB 217, sponsored by Representative Justin Hill (R-Lake St. Louis). The bill modifies the duration of unemployment compensation and the method to pay federal advances, while raising the fund trigger causing contribution rate reductions. After no discussion, the committee passed the bill by an 8-2 vote.

### **New Business Tax Credit**

The House Economic Development Committee convened Monday evening to discuss HB 1142, sponsored by Representative Noel Shull (R-Kansas City). Currently, only the value of real and depreciable personal property is included in the definition of "new business facility investment" for the New or Expanded Business Facility Tax Credit. The bill changes the definition of "new business facility investment" to include property acquired by purchase, lease, or license, including the right to use software and hardware via on-demand network access to a shared pool of configurable computing resources. The MO Chamber of Commerce and Associated Industries of MO provided supporting testimony. No opposing testimony was presented.

The Senate Economic Development Committee met Tuesday morning to consider passage of SB 355, sponsored by Senator Mike Cierpiot (R-Lee’s Summit). The bill is the Senate companion to the bill highlighted above. The committee passed the bill by a 9-0 vote.

### **Sales tax caps**

The Senate Ways and Means Committee convened Tuesday morning to discuss passage of 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. Substitute language was adopted that modified professional contractor definitions. Once amended, the committee passed the bill by a 6-2 vote.

The Senate Government Reform Committee met in executive session Tuesday morning to consider passage of SB 149, sponsored by Senator Andrew Koenig (R-Manchester). The bill places a cap of 7.275% on the combined rate of local sales taxes. Missouri currently has over 2400 taxing jurisdictions but no statewide policies. During committee discussion, substitute language was adopted increasing the cap to 9% and requiring the local sales tax to be posted on local general census road signs. Once modified, the committee passed the bill by a unanimous 5-0 vote.

### **Port authority**

The Senate Economic Development Committee met Tuesday morning to consider SB 437, sponsored by Senator Denny Hoskins (R-Warrensburg). 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, KC Chamber, and MO Chamber of Commerce supported the bill. No opposing testimony was presented.

### **Film tax credit**

The Senate Economic Development Committee met Tuesday morning to consider SB 366, sponsored by Senator Denny Hoskins (R-Warrensburg). The bill establishes the Show Missouri Film and Digital Media Act and reauthorizes a tax credit for qualified film projects. The provisions cap the program at \$4.5 million. Committee discussion focused on whether or not the program should be made subject to the appropriations process. The MO Motion Media Association, a truck and trailer vendor, a SAG actor, Motion Picture Association of America, Hallmark, Jefferson City Convention and Visitors Bureau, Associated Industries of MO, and MO Citizens for the Arts supported the bill. No opposing testimony was presented.

### **Ballot initiatives**

The House Elections and Elected Officials Committee convened Wednesday morning to consider ten bills and resolutions dedicated to revising the state's initiative petition process. What was once considered an unusual ballot event now has become a usual and overwhelming expectancy. The proliferation of petition submission has grown from 55 in 2008 to 143 in 2012 to 238 in 2016 to 371 in 2018. The proposed modifications vary from increasing the number of signatures required for an initiative petition to qualify for the ballot, to requiring a supermajority of voters to approve measures placed on the ballot by initiative petition rather than today's simple majority, to imposing fees in order to submit petitions. The hearing continued throughout the day with several interested parties supporting and opposing various provisions of each proposal presented.

### **Venue shopping**

The House Judiciary Committee held an executive session Tuesday afternoon to consider passage of SB 7, sponsored by Senator Ed Emery (R-Lamar). The bill modifies provisions of civil procedure regarding joinder and venue. After brief discussion, the committee passed the bill by a 12-5 vote.

### **Punitive damages**

The House Judiciary Committee convened Tuesday morning to discuss HB 489, sponsored by Representative Bruce DeGroot (R-Chesterfield). The bill clarifies that punitive damages shall not be awarded except upon proof by clear and convincing evidence, and only if there is an award of damages more than nominal damages. According to the language, punitive damages may not be awarded against an employer or principal because of the conduct of an employee or agent unless specified criteria are met. Per usual, insurance, medical and business groups united to support the bill. The MO Trial Attorneys Association presented opposing testimony.

The Senate dedicated five hours of floor debate Wednesday afternoon to Senate companion legislation, SB 65, sponsored by Senator Bill White (R-Joplin). Like most controversial and partisan issues, much was said but little progress was made. The bill eventually was returned to the calendar to await future debate.

### **Product liability**

The House Judiciary Committee convened Tuesday evening to discuss HB 186, sponsored by Representative Curtis Trent (R-Springfield). The bill provides that a person who is injured by a product has 10 years after the sale or lease of the product to bring a suit for damages. During bill presentation, the sponsor stated the bill will increase certainty for all economic actors throughout the state and that unlimited litigation and perpetual liability is not in the interest of public policy. The Missouri Organization of Defense Lawyers, Associated Industries of Missouri, O'Riley Auto Parts, Missouri Chamber of Commerce and Industry, NFIB, Missouri Retailers Association, Missouri Tire Industry Association, United States Chamber Institute for Legal Reform, and Doe Run Company provided supporting testimony. The Missouri Association of Trial Attorneys and a private citizen opposed the bill.

### **Narcotics control**

The Senate Seniors, Families, and Children Committee convened Wednesday morning to consider HB 188, sponsored by Representative Holly Rehder (R-Sikeston). The bill establishes the Narcotics Control Act, which is aimed at protecting families against opioid related overdoses. As expected, numerous advocates filled the Senate committee room. Proponents including physicians, local governments, and business groups supported the language due to patient safety and overdose concerns. A physician and some individuals opposed the bill claiming that PDMPs are ineffective and privacy is paramount.

### **Education task force**

The House Special Committee on Career Readiness convened Wednesday afternoon to discuss HB 744, sponsored by Representative Louis Riggs (R-Hannibal). The bill establishes the "21st Century Missouri Education Task Force." The mission of the task force is to evaluate current educational processes, funding, and teachers within the state of Missouri. The task force will make recommendations for legislation and submit a report outlining a summary of task force activities to the General Assembly before August 28, 2020. Additionally, the taskforce will evaluate artificial intelligence and provide input on how to implement training within school districts. The MO Chamber of Commerce and MO NEA provided supporting testimony. No opposing testimony was presented.

### **Streamlined sales tax**

The House Ways and Means Committee met Wednesday morning to discuss HB 908, sponsored by Representative Warren Love (R-Osceola). The bill creates the "Streamlined Sales and Use Tax Agreement Act" and requires the Director of the Department of Revenue to enter into the agreement with one or more states to simplify and modernize sales and use tax administration. The National Streamline Sales Tax Governing Board, MO Retailers Association, AARP, and Associated Industries of MO presented supporting testimony. No opposing testimony was provided. The MO Department of Revenue provided informational testimony stating the language within the bill is not current and updated language has been provided to the sponsor.

### **Taxation sourcing provisions**

Representative Jeff Justus (R-Branson) appeared before the House Ways and Means Committee Wednesday morning to present HB 736. The bill adopts a market-based sourcing method for sales of services and intangible property. Additionally, the bill allows the Department of Revenue to enter into a reciprocal taxing agreement with any state. No supporting or opposing testimony was provided. The MO Department of Revenue and MO Retailers Association provided informational testimony based on destination taxes.

### **Bridge repair fund**

The House Transportation Committee met in executive session Thursday morning to consider passage of HB 1097, sponsored by Representative Jeff Porter (R-Montgomery). The bill creates the "Emergency Bridge Repair and Replacement Fund," consisting of moneys appropriated from general revenue to the Department of Transportation for accelerated bridge replacements or immediate repairs to bridges in critical disrepair. After no discussion, the committee passed the bill by a 13-0 vote.

### **Stadium funding**

The House dedicated floor time Wednesday morning to consider passage of HB 677, sponsored by Representative Jon Patterson (R-Lee's Summit). The bill modifies provisions relating to certain tourism infrastructure facilities by continuation of the \$3 million appropriation for the Jackson County Sports Complex and a new \$6 million appropriation for the Enterprise Center. After some debate, the House passed the bill by a 92-52 vote. The bill now will be sent to the Senate for further consideration.

### **Extended-release opioids**

The Senate dedicated floor time Thursday morning to consider passage of SB 275, sponsored by Senator David Sater (R-Cassville). The bill limits prescription of long-acting or extended-release opioids by dentists. According to the bill sponsor, dentists prescribe 12% of all opioids and his objective is to minimize opioid addictions and death by limiting duration and dosage of prescriptions. Within mere minutes, the Senate passed the bill by a 33-0 vote. The bill now will be sent to the House for further review.

### **Fuel tax**

The Senate Transportation, Infrastructure and Public Safety Committee held an executive session Thursday morning to consider passage of SB 430, sponsored by Senator Doug Libla (R-Poplar Bluff). The bill increases the motor fuel tax from \$0.17 per gallon to \$0.23 per gallon, using a gradual two-cent per gallon increase over a three-year period. After brief discussion, the committee passed the bill by a 4-3 vote.

