



PUBLIC
POLICY

MISSOURI

Legislative Update

With concerns over quickly diminishing time left in the 2019 legislative session and significant budget and policy decisions remaining, tension within the Capitol halls is becoming more present by the day. With more time being spent on chamber floor debate and legislators working later into the evening, most welcomed the arrival of the annual legislative charity softball tournament Wednesday evening. Competitive ballgames hopefully relieved stress this week but are unlikely to create much peace for the final five weeks that remain.

Port authority

The House dedicated floor time Monday afternoon to revisit 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. After brief discussion, the House passed the bill by a vote of 92-57. The bill now will be sent to the Senate for further consideration.

Sales tax cap

The House dedicated floor time Monday afternoon to revisit HB 374, sponsored by Representative Phil Christofanelli (R-St. Peters). The bill, as originally filed, creates a statewide cap preventing political subdivisions from adopting sales tax rates higher than 14%. This cap includes the combination of all state and local sales taxes. During the bill's progression through the committee process, substitute language was adopted to remove cap language and replace it with provisions requiring sales tax ballots to include accumulative data of all local taxes to inform voters of actual tax burdens within their municipalities. Additionally, the bill requires any seller who sells more than \$500,000 worth of goods per year to clearly state on the sales receipt or sales invoice the total rate of all sales tax imposed on the sale. After no debate, the House passed the bill by a vote of 136-16. The bill now will be sent to the Senate for further consideration.

Fast-Track Workforce Incentive Grant

The Senate Education Committee met in executive session Wednesday afternoon to consider HB 225, sponsored by Representative Kathy Swan (R-Cape Girardeau). 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. During committee discussion, substitute language was adopted modifying the definition of eligible student, removes language allowing DOR to review parental tax returns, includes claw back language, and adds a sunset. Once modified, the committee passed the bill by 5-2.



Punitive damages

The House Judiciary Committee met in executive session Tuesday afternoon to consider passage of 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. After no discussion, the committee passed the bill by a 10-5 vote.

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. Senator Cierpiot previously offered an amendment to increase the county average wage requirements for new payroll from 90% to 100%. Senator Bill Eigel (R-St. Peters) previously attempted to further amend the bill by exempting companies that are receiving MO Works benefits from the state's prevailing wage laws. After three hours of debate, the Senate returned the bill to the calendar, with amendments pending.

The Senate Economic Development Committee held an executive session Tuesday morning to consider HB 255, sponsored by Representative Travis Fitzwater (R-Holt's Summit). The bill is the House companion to the bill described above without the pending amendments. After brief discussion, the committee passed the bill by an 8-1 vote.

Missouri One Start Program

The Senate Economic Development Committee then turned its attention toward 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. After no discussion, the committee passed the bill by an 8-1 vote.

The Senate dedicated floor time Wednesday afternoon to discuss SB 184, sponsored by Senator Wayne Wallingford (R-Cape Girardeau). The bill is the Senate companion to the bill described above. After no debate, the Senate provided its first of two necessary approval votes.



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Stadium funding

The Senate Economic Development Committee convened Tuesday afternoon to discuss 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. The Enterprise Center, Kiel City Partners, Jackson County Sports Authority, MO Chamber of Commerce, City of Kansas City, and Jackson County Legislature provided supporting testimony. No opposing testimony was presented. Immediately after the hearing, the committee went into executive session to consider passage of the bill. After no discussion, the committee passed the bill by a 9-0 vote.

Highway bonds

The Senate dedicated much of its floor time this week to reconcile issues surrounding Missouri's transportation problems. Senator Dave Schatz (R-Sullivan) worked and negotiated with his fellow Senate colleagues and House leadership to create the most viable transportation resolution via SCR 14. After many versions of substitute language and amendments, Senator Schatz offered his final negotiated version of SCR 14 Thursday afternoon. The bonding resolution now funds construction and repair of 215 bridges within the state highway system, not to exceed \$301,000,000. Bond duration is limited to seven years, which sums to an annual payment of \$46,000,000. The deal is contingent upon receiving a grant from the federal government for road and bridge purposes. While many Senators expressed varying fees and financing arrangements they prefer, most lauded the latest revisions of the resolution as a true compromise that should be advanced to the Governor. Ultimately, the Senate provided its first of two necessary approval votes.