



2019 Truly Agreed to and Finally Passed Bills – Priority Legislation

The 2019 Missouri legislative session came to a close on May 17, 2019 at 6:00 p.m. When session commenced in January, Capitol insiders predicted a smooth and successful session. With Republican supermajorities in the House and Senate, coupled with a popular and pragmatic Republican Governor, productivity and harmony was nearly guaranteed.

Though, the nature of politics never proves easy. Republican infighting over economic development incentives, transportation funding, and budget priorities created a volatile environment that almost derailed all priorities and proposals.

Moving into the final week of session, it appeared that economic incentive proposals and abortion legislation would stifle all activity. When nearly all hope was lost, Senate President Dave Schatz and Majority Floor Leader Caleb Rowden skillfully brokered an agreement with their fellow Republicans and Democrats to avoid a complete Senate shutdown. Navigating a tenuous and fragile week, the persistence of Senate leadership proved successful as over 50 proposals passed in the final two days of session.

While some interested parties are more pleased than others, no one can deny that the legislature was efficient and productive. Items of specific interest to the KC Chamber are detailed below.

HB 604 – Elementary and secondary education

This bill modifies several provisions relating to elementary and secondary education.

A+ for high school dual credit

The Department of Higher Education shall establish a procedure for the reimbursement of the cost of tuition and fees for any dual-credit or dual-enrollment course offered to a student in high school in association with a public community college or vocational or technical school.

The department shall distribute reimbursements first to community college or vocational or technical school students, then to any dual-credit or dual-enrollment students, on the basis of financial need.

Early childhood education

This bill allows children who attend early childhood education programs that are under contract with school districts or charter schools that have declared themselves as a local education agency to be included in the average daily attendance of the school district or charter school

Teacher externships

This bill provides a definition for "teacher externship" and requires that the Department of Economic Development and DESE shall adopt requirements for teacher externships along with an equivalency schedule to allow externship hours to be considered for increases similar to graduate-level coursework on the salary schedule for districts before July 1, 2020.

HB 677 – Tourism infrastructure facilities

This act, among many other provisions, modifies the convention and sports complex funds. The Jackson County and Kansas City Convention and Sports Complex Funds are currently authorized to receive \$3 million in state appropriations each year until 2021. This act extends such date to 2031.

HCR 34 – Support for Buck O’Neil

This resolution urges the Baseball Hall of Fame to induct John Jordan "Buck" O'Neil who played for the Kansas City Monarchs Negro Leagues team and led the effort to establish the Negro Leagues Museum.

SB 7 & SB 230 – Civil procedure

This act modifies provisions of civil procedure regarding joinder and venue.

Joinder

Claims arising out of separate purchases of the same product or separate incidents involving the same product shall not be joined regardless of whether the claims arise out of the same transaction, occurrence, or series of transactions or occurrences with a common question of law or fact.

This act expressly adopts the holding of State ex rel. Johnson & Johnson v. Burlison, No. SC96704, issued on February 13, 2019, as it relates to joinder and venue.

If such terms are just, parties may be dropped, added, or severed by order of the court upon a motion by any party or by the court during any stage of the action.

Venue

For the purposes of meeting the venue requirement, there is a rebuttable presumption that the principal place of residence for an individual is the county of voter registration at the time of the injury. For an individual whose employment conduct with a corporation is at issue in at least one count in the action, the principal place of residence shall be the corporation's principal place of residence. When all defendants are nonresidents, proper venue in a non-tort action is any county in this state if there is personal jurisdiction over each defendant, independent of each other defendant.

In tort actions where the plaintiff was first injured in Missouri, venue shall be the county where the plaintiff was first injured by the acts or conduct alleged in the action. In tort actions where the plaintiff was injured outside the state of Missouri and the defendant is an individual, venue for that individual plaintiff shall be the county where the defendant has his or her principal place of residence, which shall be that of his or her employer corporation if any count alleges conduct in the course of employment.

If the county where the action is filed is not proper venue, the plaintiff shall be transferred to a county where proper venue can be established. If no such county exists, then the claim shall be dismissed without prejudice. If denied in error, a denial of a motion to transfer venue pursuant to this act is required to be reversed and no finding of prejudice is required for such reversal.

SB 68 – Workforce development

Fast-Track Workforce Incentive Grant

This bill creates the "Fast-Track Workforce Incentive Grant" to provide grants for Missouri citizens to attend an approved Missouri postsecondary institution of their choice.

To be eligible, a student must meet certain criteria set forth in the bill, including having an adjusted gross income of less than \$80,000 for married joint filing taxpayers and \$40,000 for all other taxpayers, and being at least 25 years of age or not enrolled in an educational program for the prior two academic year. Grant funding may be renewed, but the student must continue to meet the eligibility requirements and must demonstrate a grade-point average of 2.5 on a 4.0 scale.

The Coordinating Board for Higher Education must designate eligible programs of study by January 1, 2020. The eligible programs must be reviewed and updated by the board annually.

This bill shall sunset six years after the effective date.

MO Works

This bill modifies several provisions relating to the Missouri Works Program. It adds a definition for "existing Missouri business" and renames the program the Missouri One Start Program.

In promulgating rules and regulations governing the Missouri One Start Training Program, this bill requires the department to consider such factors as the potential number of new jobs to be created, the amount of new capital investment in new facilities and equipment, the significance of state benefits to the qualified company's decision to locate or expand in Missouri, the economic need of the affected community, and the importance of the qualified company to the economic development of the state.

This bill gives the department the discretion to determine the appropriate amount of funds to allocate to a training project from the Missouri One Start Community College New Jobs and Retained Jobs Training Funds.

Currently, the department shall issue tax credits to a qualified company after such company has met the job creation and county average wage requirements. This bill allows the tax credits authorized under this bill to be issued following the qualified company's acceptance of the department's proposal and the agreement required currently.

The Missouri Works Program currently has a limit of \$116 million on the amount of tax credits that may be issued during a fiscal year. For all fiscal years beginning on or after July 1, 2020, this bill reduces such limit to \$106 million, which allows for the authorization of an additional \$10 million in tax credits provided that such tax credits are authorized for the purpose of the completion of infrastructure projects, as defined in the bill, directly connected with the creation or retention of jobs under the Missouri Works Program. This bill also allows the department reserve up to 21.5% of such limit for tax credits authorized under this bill.

SB 182 – Interstate business incentives

This bill reauthorizes the prohibition on the issuance of incentives under the BUILD program, the new or expanded business facilities program, the Urban Enterprise Loan program, or the Missouri Works program for businesses that relocate from certain counties in Kansas to certain counties in Missouri, contingent on similar action taken by Kansas. Such prohibitions expired on August 28, 2016.

The provisions of the bill expire on August 28, 2021, if the provisions of the bill prohibiting incentives are not reciprocated by Kansas. If Kansas agrees to the provisions of the bill, the bill expires on August 28, 2025.

SB 224 – Discovery

This bill modifies numerous Supreme Court rules relating to discovery.

Discovery in civil cases – requirement of proportionality

The bill requires that parties may discover any relevant matter, not privileged, as described in the bill, provided that the matter is proportional to the needs of the case considering several factors described within the bill.

Discovery in civil cases – limits on frequency or extent of discovery and electronically stored information

The bill requires that the court limit the frequency or extent of discovery if it determines that certain factors exist. Additionally, a party does not need to provide discovery of electronically stored information if the source of the information is not reasonably accessible because of an undue burden or cost. The court may order and specify the conditions for the discovery nonetheless if the requesting party shows good cause.

Discovery in civil case – limits on privileged information and trial preparation materials

When a party withholds information on the basis of privilege or protection as trial preparation materials, the party may notify any party that received information of the claim and the basis for it. A notified party is required to return, sequester, or destroy the specified information and may present it under seal to the court for claim determination. Additionally, the party shall take steps

to retrieve any information disclosed prior to notification, shall preserve the information until the claim is resolved, and shall not use or disclose the information until the claim is resolved.

SB 368 – Transportation

This act, among other provisions relating to transportation, enacts provisions relating to port authorities. Current law exempts from taxation notes and bonds issued by port authorities. This act provides that leases of both real and personal property by or to any port authority involving the issuance of tax-exempt bonds shall also be exempt from taxation. A port authority issuing bonds under chapter 68 for incentivized development shall require the developer of any project which is to be leased to such developer, or any other party, to confer with the affected taxing authorities, and subsequently contractually require the payment of such sums as they may agree upon, or the port authority may elect to require, such sums to be allocated among such taxing authorities on the same pro rata basis as are ad valorem property tax revenues.

SB 514 – Health care

Task Force on Substance Abuse Prevention and Treatment

This bill establishes the Task Force on Substance Abuse Prevention and Treatment. The task force is made up of six members of the House of Representatives appointed by the Speaker, six members of the Senate appointed by the President Pro Tem, and four members appointed by the Governor. The committee must meet at least once during each legislative session and will conduct hearings on current and future drug and substance abuse, explore solutions to substance abuse issues, and draft or modify legislation as necessary to reach the goals of finding and funding education and treatment solutions to combat drug and substance use and abuse.

Prescribing of long-acting or extended release opioids by dentists

Long-acting or extended-release opioids shall not be used to treat acute pain in dentistry. Dentists shall avoid prescribing doses greater than 50 morphine milligram equivalents (MME) per day for treatment of acute pain. If the dentist believes doses greater than 50 MME are necessary to treat the patient, the dentist shall document and explain the reason for the dose greater than 50 MME. The Missouri Dental Board is required to maintain an MME conversion chart and instructions for calculating MMEs on its website. This provision also was passed in SB 275.

SCR 4 – Kansas City Chiefs

This resolution designates the Kansas City Chiefs as the official NFL football team of the state of Missouri.

SCR 14 – Transportation funding

This concurrent resolution expresses support for issuance of bonds by the Highways and Transportation Commission to pay for construction and repair of 215 bridges on the state highway system, as selected by the Commission, not to exceed \$301,000,000.

This resolution expresses approval for debt service to be paid from future appropriations by the General Assembly from the General Revenue Fund and expresses the intent to appropriate funds in the future in an amount sufficient to pay the debt service on the bonds.

The resolution authorizes and directs the Office of Administration, and other offices deemed appropriate by the Office of Administration, to assist the Commission in issuing the bonds, and to execute and deliver a financing agreement for payment of debt service on the bonds.

This resolution shall take effect upon acceptance by the Missouri Department of Transportation of a federal grant for road and bridge purposes.

Final determination

Governor Parson must determine whether to sign or veto the bills passed during session, some of which are highlighted above. Appropriation decisions must be rendered by June 30 and policy decisions must be made by July 14. If signed into law, the provisions of each signed bill will become effective on August 28, 2019 unless the legislation contained an emergency clause or included a specific effective date.

Many thanks

Cooper and I are thankful for the opportunity to represent you in Jefferson City. Placing your trust in us isn't taken lightly and we truly appreciate the privilege of working with you. As legislative momentum begins to quiet, please feel free to contact either of us at any time. Enjoy your summer!

