



**FEBRUARY 3, 2023**

Week five of the legislative session has ended. The building was busy with the House and Senate conducting numerous hearings, both chambers conducting floor debates, and the House appropriations subcommittees continuing to hear from various departments regarding budget requests. The House dedicated its floor time to reforming the initiative petition process and the Senate spent its floor time debating CRT, easing regulatory burdens on small businesses, and exempting broadband grants from taxation.

#### **Budget Update**

The House appropriations subcommittees continued to hear from various departments regarding FY 2024 budget recommendations and requests. The only budget presentations yet to be made are from the Lieutenant Governor, Judiciary, and the Secretary of State. It was announced late Wednesday night that the subcommittees could begin the process of marking up the budget as early as next week.

A hearing for the emergency supplemental (HB 14) was scheduled for Monday but was cancelled. Governor Mike Parson has asked the General Assembly to quickly pass the bill to give state employees a needed pay raise to combat the shortage of workers in various departments. At the time of this report, the hearing has not yet been scheduled.

#### **Senate Floor Activity**

##### **Regulatory Sandbox Act**

The Senate dedicated floor time Tuesday afternoon to debate SB 3, sponsored by Senator Denny Hoskins (R-Warrensburg). The bill creates the **Regulatory Sandbox Act**, which provides small businesses a way to waive or suspend certain regulations for two years by applying to the Regulatory Relief Office created within the Department of Economic Development. During debate, the sponsor offered substitute language to eliminate the Small Business Fairness Board because it has not had a quorum or the capability to meet over the past ten years. During debate, Senator Steve Roberts (D-St. Louis) amended the bill to require the sandbox director to notify the public on the department's website when an applicant is approved in the program. Senator Karla May (D-St. Louis) amended the bill to remove references of "minority owned businesses" and replaced with current statute language that states, "businesses owned by each racial minority group." Once modified, the Senate provided its first of two necessary approval votes.

##### **Federal Grant Money for Broadband**

The Senate dedicated floor time Tuesday afternoon to debate SB 25, sponsored by Senator Lincoln Hough (R-Springfield). The bill seeks to exempt state taxes from being collected on broadband grants that the federal government has administered to the State of Missouri. The sponsor's intent with legislation is to help close the digital divide of deployment of broadband in rural areas. During debate,

Senator Rick Brattin (R-Belton) attempted to modify the bill to include SB 131, which seeks to exempt the sale of firearms and ammunition from sales tax. Senator Greg Razer (D-Kansas City) then attempted to amend the bill to include SB 344, which requires **voters in the City of Kansas City** to approve the **earnings tax** every ten years instead of five. After considerable debate, both amendments failed, and the Senate then provided its first of two necessary approval votes.

### **Committee Activity**

#### **Film Tax Credit**

The Senate Economic Development Committee convened Monday afternoon to discuss SB 94, SB 52, SB 58, and SB 67, sponsored by Senators Denny Hoskins (R-Warrensburg), Karla Eslinger (R-Wasola), Doug Beck (D-St. Louis), and Angela Mosley (D-St. Louis). The bills establish the **Show MO Act, which reauthorizes the film tax credit**. The program was in effect previously and expired in 2013. This bill reauthorizes the program through 2031. Associated Industries of Missouri, Motion Picture Association, Branson Lake Area Chamber of Commerce, Missouri Chamber of Commerce and Industry, Missouri Film Association, Hallmark, City of Kansas **City, Greater Kansas City Chamber of Commerce, Civic Council of Greater Kansas City**, and several Missouri film producers supported the bill. Americans for Prosperity opposed the bill and shared that the general assembly discontinued the tax credit previously because it failed to provide a positive return to the state.

Later in the week, the House Economic Development Committee convened Wednesday morning to discuss HB 169, HB 239, and HB 675, sponsored by Representatives Brian Seitz (R-Branson), Travis Smith (R-Dora), and Kurtis Gregory (R-Marshall). The bills are the House companion bills to the bills highlighted above. Committee discussion and testimony mirrored the Senate hearing.

#### **Special Taxing District Reforms**

The Senate Committee on Local Government and Elections convened Monday afternoon to discuss SB 96, sponsored by Senator Andrew Koenig (R-Manchester). The bill requires **community improvement districts** to be approved by a unanimous vote before being established. The bill also requires unanimous approval for **transportation development districts** prior to the construction or funding of any project. The sponsor stated there has been an 1100% increase in sales tax collection from CIDs and 500% increase in sales tax collection from TTDs and reforms are needed to ensure there is a fair collection of taxes. The Missouri Retailers Association presented supporting testimony stating retailers often do not own the property they are located on and are forced into special taxing districts without a vote. The Missouri Municipal League, Municipal League Metro St. Louis and Missouri Economic Development Financing Association presented opposing testimony stating governmental bodies have disparate ideologies and receiving unanimous support may be impossible and suggested lowering the threshold to 2/3 majority vote.

#### **Upskill Credentials**

The House Special Committee on Small Business convened Monday evening to discuss HB 417, sponsored by Representative Mike Henderson (R-Bonne Terre). The bill creates a grant program within the Department of Economic Development to **reimburse an employer up to \$30,000 in a fiscal year for employees or prospective employee who obtains or trains in upskill credentials**. There is a \$6 million cap, the bill is subject to appropriations, and has a six-year sunset. Finally, the bill specifies \$2 million may be utilized by businesses with fifty or less employees, \$2 million may be utilized by employers with two hundred employees or less, and the rest may be utilized by other employers. The sponsor stated his intent is to help address the skilled worker shortage. The Missouri Chamber of Commerce and Industry, NFIB, Associated Industries of Missouri, Missouri Retailers Association, Columbia Chamber of

Commerce, Greater St. Louis, Inc., Preferred Family Health, Missouri Healthcare Association, Missouri Residential Care Association, and Missouri Hospital Association presented supporting testimony. Supporters stated workforce development is a top priority for the business community no matter the region and without skilled workers it is impossible for businesses to thrive. No opposing testimony was presented to the committee.

### **KC Police Department Salary**

The House Special Committee on Urban Issues convened Monday evening to consider passage of HB 640 and HB 729, sponsored by Representatives Mark Sharp (D-Kansas City) and Chris Brown (R-Kansas City). The bills seek to improve and incentivize the recruitment of Kansas City police officers. Specifically, **HB 640 removes the current salary cap and age restrictions placed on the Kansas City Police Department Police Chief.** HB 729 expands on HB 640, and not only removes the salary cap of the chief of police but removes the cap for all officers and ranks for the Kansas City Police Department. During committee discussion, a committee substitute was adopted to combine both bills into one legislative vehicle. Once modified, the committee passed the bill by a 5-0 vote.

The Senate Judiciary and Civil and Criminal Jurisprudence Committee convened Monday to discuss SB 119, sponsored by Senator Tony Luetkemeyer (R-Parkville). The bill is the Senate companion to HB 640, highlighted above. During bill presentation, the sponsor informed committee members that he plans on offering substitute language to expand the bill's provisions to include Max's Law, which would increase the penalty for assaulting a law enforcement animal by making it a class A misdemeanor if the animal is injured, a class E felony if the animal is severely injured, and a class D felony if the assault results in the animal's death. Max's handler with the St. Joseph Police Department, Jefferson City Police Department, Missouri Department of Conservation, Kansas City Board of Police Commissioners, City of Kansas City, Civic Council of Greater Kansas City, **Greater Kansas City Chamber of Commerce**, Kansas City FOP, Missouri FOP and the Kansas City Police Department testified in support. No opposing testimony was presented.

### **Transgender Discrimination**

The Senate Committee on Emerging Issues convened Tuesday morning to discuss the Senate companion bills regarding the "Save Women's Sports Act." Specifically, the committee discussed SB 2, sponsored by Senator Denny Hoskins (R-Warrenton), SB 29, sponsored by Senator Tony Luetkemeyer (R-Kansas City), SB 39, sponsored by Senator Holly Thompson Rehder (R-Sikeston), SB 48, sponsored by Senator Mike Moon (R-Ash Grove), SB 87, sponsored by Senator Ben Brown (R-Washington), and SB 165, sponsored by Senator Jill Carter (R-Granby). The bills are similar and enact provisions aimed at banning transgender girls from playing girls sports and using girl's locker rooms. The sponsors' shared their intent is to prevent women from being put at a disadvantage during sporting contests. Democratic committee members stated MSHSAA already has policies in place regarding transgender athletes and the legislation is unnecessary and harmful.

Freedom Principal Missouri and dozens of private citizens presented supporting testimony and shared information about other states that have similar laws and echoed arguments of safety and fairness for biological women. PFlag Springfield, PROMO, Physicians for Reproductive Health, American Atheists, Missouri NEA, City of St. Louis, Pro Choice Missouri, Eddy Design Group, LLC, National Council of Jewish Women St. Louis, Anti-Defamation League Heartland, Pro Choice Missouri, Complete Harmony, Missouri NEA, City of Kansas City, Greater Kansas City Chamber of Commerce, Advocates of Planned Parenthood of the St. Louis Region and Southwest Missouri, Vandamm, LLC, Nclusion Plus, and dozens of private citizens shared opposing testimony stating legislation like this is a direct attack on the LGBTQ+

community, trans youth often are discouraged from playing sports with their peers, and this legislation could lead to an increase in LGBTQ+ suicide rates.

The committee convened Thursday morning to consider passage of SB 39, sponsored by Senator Holly Thompson Rehder (R-Sikeston). There was no discussion or changes made before the committee passed the bill with a partisan 4-2 vote.

### **State Road Fund**

The House Committee on Transportation Accountability convened Thursday morning to discuss HJR 37, sponsored by Representative Don Mayhew (R-Crocker). The resolution would require the State Road Fund be subject to General Assembly appropriation, instead of standing appropriated without legislative oversight. The sponsor informed the committee his intent is to ensure the money is spent the way it was intended to be spent. The committee had a lengthy discussion regarding the history of the State Road Fund and how the Highway and Transportation Commission came to be in existence and its role in spending the State Road Fund. The sponsor stated the hearing would be continued to next week to allow MoDOT Director Patrick McKenna a chance to testify on the legislation.

### **Tax Exemption for Childcare Facilities**

The Senate Fiscal Committee convened Thursday morning to discuss SB 151, sponsored by Senator Travis Fitzwater (R-Holts Summit). The bill exempts from property tax all real and personal property used primarily for the care of a child outside of his or her home. The legislation shall only become effective upon the passage and approval by the voters of a constitutional amendment permitting a property tax exemption for childcare. Campaign Life Missouri, Missouri Chamber of Commerce, City of Kansas City, Civic Council of Greater Kansas City, United We, and the Kansas City Chamber of Commerce testified in support. There was no opposing testimony presented to the committee.

The committee also considered SJR 26, sponsored by Senator Travis Fitzwater (R-Holts Summit) for passage. Upon voter approval, the resolution exempts personal, or business property used for the purpose of operating a childcare facility from taxation and is the enabling vehicle for SB 151. After no discussion, the committee passed the bill by a 7-1 vote.

### **Bills of Interest**

<https://www.govwatch.net/report/26953>

### **Hearings**

**House:** <https://house.mo.gov/AllHearings.aspx>

**Senate:** <https://www.senate.mo.gov/hearingsschedule/hrings.htm>

### **Key Upcoming Dates**

- February 8, 2023 – State of the Judiciary
- February 20, 2023 – Presidents Day Observed – No Session
- March 1, 2023 – Last Day to File Bills
- March 9 – 20, 2023 – Legislative Spring Break
- April 10, 2023 – Easter Break – No Session
- May 5, 2023 – Constitutional Deadline to pass the FY2024 state budget
- May 12, 2023 – Last day of Legislative Session
- July 1, 2023 – First day of the new fiscal year

- July 14, 2023 – Last day for Governor Parson to sign or veto legislation
- September 13, 2023 – Veto Session

My thanks,

Nancy Giddens | Principal  
The Giddens Group

573.230.6203 | [nancy@thegiddensgroup.com](mailto:nancy@thegiddensgroup.com)  
208 Madison Street | Jefferson City, MO 65101

**KC Chamber Missouri State Affairs Committee Meeting January 10, 12-1:15 p.m.**  
**Senate Minority Leader JJ Rizzo, Senator Tony Luetkemeyer, Representative Ashley Aune**  
**Register Today [jgall@kcchamber.com](mailto:jgall@kcchamber.com)**