



January 26, 2024

Week four of the legislative session is complete. A massive ice storm blanketed much of the state, forcing the House and Senate to cancel legislative activities Monday and some committee hearings Tuesday morning.

If it was cold outside, temperatures within the capitol halls were positively frigid. Senate President Caleb Rowden (R-Columbia) kicked off the week by stripping four of the “Freedom Caucus” Senators from their respective committee chairmanships, vice-chairmanships, select committee assignments, and designated parking spots located in the senate parking garage. In response, the Freedom Caucus has continued to delay traditional Senate business like approval of the daily journal and submitted gubernatorial appointments. We predict the temperature in the Senate will remain frigid, but only time will tell!

In Brief

- On Monday, Auditor Scott Fitzpatrick released an **audit report of Secretary of State Jay Ashcroft’s office** and gave his administration a “fair” rating, the second-lowest rating, and a downgrade from a previous audit. The reasons included that Ashcroft’s office illegally withheld documentation of cybersecurity checks for local election authorities. The audit also said Ashcroft “refused” to provide reports from the election’s clearinghouse known as the Electronic Registration Information Center, or ERIC, which checks voter registration in several states. Secretary of State Jay Ashcroft held a press conference Tuesday afternoon stating the audit results were not accurate and were a “deep state political attack.”
- January 2024 **revenues are looking more robust** and exceed those from January 2023. This growth has increased the fiscal-year-to-date revenues to a positive 2%. While this number may seem small, it is beginning to dissipate some fears for those responsible for crafting the FY2025 budget.

State of the State Address

On Wednesday, before a joint session of the House and Senate, Governor Mike Parson delivered his final State of the State Address. Governor Parson's speech focused largely on what his administration, the general assembly, and state government have accomplished together. According to the Governor, the achievements include streamlining state agencies and reducing the size of government, clearing 3,700 clemency applications inherited by his administration, and providing funding to build over 1,000 bridges and repairing 50% of Missouri’s highway system. He reiterated the increase in K-12 funding and teacher pay, creation of over 110,000 new jobs, the \$14.5 billion in new business investments via 685 new businesses, and a near 20% income tax reduction achieved by three separate tax cuts. Governor Parson also highlighted his top two legislative proposals for the 2024 session, which included establishing new tax credit programs for childcare to improve access and affordability and stricter punishments for exposing children and minors to fentanyl.

Transportation Update

During the Governor's State of the State Address, he announced that Missouri secured a \$92.8 million Infrastructure for Rebuilding America (INFRA) grant to improve I-70. Missouri will use the INFRA grant for specific Improve I-70 projects, including truck parking, Intelligent Transportation System (ITS), work zone safety technology, and workforce development, all to enhance the efforts of adding an additional lane to the road. Missouri's FY2024 budget provides \$2.8 billion in general revenue for costs to plan, design, construct, reconstruct, rehabilitate, and repair three lanes in each direction on nearly 200 miles, from Blue Springs to Wentzville. The first Improve I-70 project's contract is scheduled to be presented to the Missouri Highways and Transportation Commission for approval at its February 14, 2024 meeting. The first phase of the project includes the segment of interstate from Route 63 in Columbia to Route 54 in Kingdom City. Construction on this first segment could start as early as summer 2024. The second project will focus on the segment from Warrenton to Wentzville and the third from Blue Springs to Odessa. Projects two and three are scheduled to be under construction in 2025.

Budget Update

Upon the conclusion of Governor Mike Parson's State of the State Address, his FY2025 Executive Budget recommendations were released to the public. The Senate Committee on Appropriations convened Thursday morning to review the recommendations. It is expected the various House sub-committees will convene next week to discuss the recommendations and begin to craft their recommendations to be presented to the full House Budget Committee. Below are some highlights from Governor Parson's budget.

- \$120.6 million to fully fund the **K-12 foundation formula**
- \$14 million to fully fund the **school transportation formula**
- \$51.7 million to increase the **childcare subsidy rates**
- \$32.5 million (3% increase) for **four-year institutions, community colleges** and State Technical College of Missouri
- \$4 million for **teacher education and recruitment** (will provide state funds to local school districts for an increased baseline education salary of \$40,000 per year)
- \$314.7 million for **higher education capital improvements**
- \$54.4 million for the **MoExcels** projects for public higher education institutions
- \$10 million for **semi-conductor production** that will be invested in research, program development and skills training
- \$6 million for **upskill credential training**
- \$5.4 million for the construction of the Midwest Critical Minerals Innovation Center
- \$1.5 billion for **broadband infrastructure**
- \$290 million for the **Statewide Transportation Improvement Program (STIP)**
- \$93 million for low-volume roads
- \$27.3 million for **airport infrastructure**
- \$14 million for **Interstate 44 expansion** planning
- \$11.6 million for **port capital improvements**
- \$5.2 million for **Missouri River flood resiliency**
- \$111 million for the State Employee Pay Plan that includes a **3.2% increase for all state employees**
- \$42 million in statewide **technology investments**
- \$14.2 million to expand **opioid prevention**, treatment, and recovery services
- \$640,000 to enhance **support for first responders** by expanding access to trauma care and wellbeing initiatives

- \$182,111 for enforcement of foreign ownership of land by establishing a new program within the Department of Agriculture responsible for the approval and ongoing regulation of foreign ownership of land
- \$86 million for treatment and support for those with **behavioral health** and developmental disabilities
- \$12 millions for **Missouri Veterans Homes**
- \$4.5 million to address **behavioral health care staffing shortages**
- \$3.5 million to address general **health care staffing shortages** by developing new residency programs in rural and underserved communities and increasing in-state medical residency capacity

New Committees Formed

House Committee on Innovations and Technology

House Special Committee on Property Tax Reform

Senate Select Committee on Empowering Missouri Parents and Children

Committee Activity

Childcare tax credits

The Senate Committee on Governmental Accountability convened Thursday morning to consider passage of SB 742, sponsored by Senator Lauren Arthur (D-Kansas City). The bill establishes the "Childcare Contribution Tax Credit Act." Beginning January 1, 2025, the proposal allows childcare facilities, employers, and working parents to claim tax credits with a goal of reducing barriers for working parents deciding to enter or reenter the workforce. The program has a sunset of December 31, 2030. After no discussion, the committee passed the bill by a 5-0 vote.

Early childhood education

The House Committee on Elementary and Secondary Education convened Wednesday morning to discuss HB 1486, sponsored by Representative Brenda Shields (R-St. Joseph). The bill proposes to fund every child who attends an early childhood program provided by a public or charter school district and meets the qualifications for free and reduced lunch in the year prior to beginning kindergarten at an amount equal to the state adequacy target. The bill sponsor stated the opportunity to provide quality early childhood education to children is necessary to ensure children are given an equal opportunity to succeed. Aligned, Missouri Chapter of the American Academy of Pediatrics, Missouri Chamber of Commerce, Quality Schools Coalition, Missouri State Teachers Association, Kids Win Missouri, Missouri Department of Elementary and Secondary Education, North Kansas City Schools, Missouri Council of School Administrators, Missouri Alliance of YMCA's, Missouri School Boards Association, and Cooperating School Districts of Greater Kansas City provided supporting testimony.

Guns on buses and in churches

The House Committee on General Laws convened Tuesday afternoon to consider passage of HB 1708, sponsored by Representative Adam Schnelting (R-St Charles). The bill allows a concealed carry permit holder to lawfully carry firearms on public transportation and in houses of worship. The bill also lowers the age to apply for a concealed carry permit from 19 to 18. During committee discussion, language was adopted to exempt law enforcement from penalty provisions when inquiring about conceal and carry permits. Once modified, the committee passed the bill by a partisan 11-5 vote.

Historic preservation tax credits

The House Economic Development Committee met Wednesday morning to discuss HB 1936, sponsored by Representative Travis Wilson (R-St. Charles). The bill modifies provisions relating to the historic preservation tax credit program and renames such tax credits the "Missouri Historic, Rural

Revitalization, and Regulatory Streamlining Act” to allow counties to designate certain structures as “essential community or heritage facilities.” The intent is to streamline processes and enable developers to revitalize areas. Revitalization for MO, KC EDC, New and Found Development, a historic preservation consultant, MO Chamber of Commerce, American Institute of Architects of MO, Greater St. Louis Inc., AGC of Kansas City, **Greater Kansas City Chamber of Commerce, Civic Council of Greater KC, City of Kansas City**, MO Realtors Association, and St. Louis Electrical Connection supported the bill and stated the tax is an economic driver for both urban and rural areas. No opposing testimony was presented.

The committee then turned its attention toward HB 1935, sponsored by Representative Travis Wilson. The bill creates the **“Revitalizing Missouri Downtowns and Main Streets Act.”** The bill establishes a tax credit to assist developers converting abandoned buildings to living spaces, stores, etc. with an intent to revitalize downtown areas. Greater St. Louis Inc., MO Chamber of Commerce, KC EDC, City of Kansas City, **Civic Council of Greater Kansas City, Greater Kansas City Chamber of Commerce**, and the MO Realtors Association supported the bill. No opposing testimony was presented.

MO BUCK\$ program

The House Committee on Financial Institutions convened Tuesday morning to consider passage of HB 1803, sponsored by Representative Terry Thompson (R-Lexington). The bill raises the aggregate amount the state treasurer may invest in linked deposits from \$800 million to \$1.2 billion. *The MOBUCK\$ program helps to support low-interest loans to small businesses and is strongly supported by the KC Chamber and its Access to Capital program.* During committee discussion, substitute language was adopted to change the cap from 300 percentage points to 200 percentage points, which removes fiscal impact. Once modified, the committee passed the bill by a 9-1 vote.

The Senate Committee on Insurance and Banking also convened Tuesday afternoon to consider passage of SB 736, sponsored by Senator Sandy Crawford (R-Buffalo), which is the Senate companion to the bill highlighted above. After no discussion, the committee passed the bill by a 6-0 vote.

Gender policies and bathroom designation

The House Committee on Emerging Issues convened Wednesday afternoon to consider passage of HB 1520, sponsored by Representative Brad Hudson (R-Cape Fair), which removes the sunset on a state prohibition on prescribing or administering of cross-sex hormone or puberty blocking drugs to those under 18 and removed the grandfather clause for those receiving treatment currently. During committee discussion, substitute language was adopted to include provisions from HB 1519 that allows health care professionals and institutions to opt-out of providing any gender affirming care if it is contrary to their moral, ethical, or religious beliefs. The substitute also added HB 1674, sponsored by Representative Mark Matthiesen (R-St. Charles), HB 2355, sponsored by Representative Ben Baker (R-Neosho), and HB 2357, sponsored by Representative Adam Schnelting (R-St. Charles) to the title of the bill, but no provisions from these bills were added into the language. Once modified, the committee passed the bill by a partisan 10-4 vote.

Public safety

The House Committee on Crime Prevention convened Thursday morning to consider passage of HB 1659, sponsored by Representative Lane Roberts (R-Joplin). This omnibus bill includes 22 various provisions that passed during the 2023 legislative session but was vetoed due to problematic language no longer contained within the proposal. Specifically, the bill seeks to modify provisions relating to juvenile offenders, persistent offenders,

wrongful conviction, armed criminal action, a cyberstalking and harassment task force, endangering the welfare of a child, **Blair's law**, unlawful possession of a firearm, law enforcement animals, drug trafficking, and the office of the public defender. During committee discussion, substitute language was adopted after single subject concerns were raised. Accordingly, bench warrants for FTA's, critical incident stress program for firefighters, and the point provision for juveniles were removed. Once modified, the bill passed by a 24-0 vote.

Blair's law

The House Urban Issues Special Committee convened Tuesday afternoon to consider HB 1437 and HB 1477, sponsored by Representatives Sherri Gallick (R-Belton) and Mark Sharp (D-Kansas City). The bill creates "Blair's Law," which specifies that a person commits the offense of unlawful discharge of a firearm if he or she discharges a firearm within or into city limits. Any such person shall be guilty of a class A misdemeanor for the first offense, a class E felony for the second offense, and a class D felony for any third or subsequent offenses. The City of Kansas City, **Greater Kansas City Chamber of Commerce**, Missouri State Troopers Association, Missouri Chamber of Commerce, City of St. Louis, St. Louis County, among many other individuals testified in support of the legislation. Two private citizens opposed the bill.

Regional planning commission funding

The House Committee on Local Government convened Tuesday morning to consider passage of HB 2074, sponsored by Representative Dale Wright (R-Farmington). Currently, state funding for the East-West Gateway Coordinating Council and the **Mid-America Regional Council** shall not exceed \$65,000 and other planning commissions shall not exceed \$25,000. The bill increases the sums from \$65,000 to \$130,000 and from \$25,000 to \$50,000, respectively. Additionally, the bill requires the maximum grant amount to be adjusted with the consumer price index beginning July 1, 2026. After no discussion, the committee passed the bill by an 11-0 vote.

Clarifying ballot language

The House Special Committee on Tax Reform convened Tuesday morning to discuss HB 1517, sponsored by Representative Jim Murphy (R-St. Louis). The legislation requires any new tax levy to have clear and concise ballot language regarding implementation or extension and include any sunset date provisions. The bill also seeks to close a loophole within the Hancock Amendment to ensure approved levies do not surpass expenditure limitations. During committee discussion, committee members echoed the need to provide fair and concise ballot language. No supporting testimony was presented. The MO Municipal League opposed the bill.

Eliminating corporate income tax

The House Special Committee on Tax Reform convened Tuesday morning to discuss HB 2274, sponsored by Representative Travis Smith (R-Dora). The bill seeks to eliminate corporate income tax, which generates \$484 million per year in state general revenue. The MO Chamber of Commerce supported the bill and informed committee members that having a low tax rate incentivizes businesses to come to Missouri. No opposing testimony was presented.

Protecting Missouri's Small Businesses Act

The House Special Committee on Small Business convened Tuesday afternoon to consider passage of HB 2381, sponsored by Representative Chris Brown (R-Kansas City). The bill establishes the "Protecting Missouri's Small Business Act, which changes law regarding businesses closed due to a health department or political subdivision

shutdown order. The language creates a framework for businesses to recoup losses incurred via license tax waivers and property tax refunds. After a brief discussion, the committee passed the bill by a 7-1 vote.

Jackson county assessor

The House Committee on Property Tax Reform convened Wednesday afternoon to discuss HJR 79 and HJR 68, sponsored by Representatives Jeff Coleman (R-Grain Valley) and Dan Stacey (R-Blue Springs), respectively. Currently, the Missouri Constitution requires all county assessors, except the Assessor of Jackson County, to be elected officers. Upon voter approval, this resolution eliminates that exemption. Sixth District Jackson County Legislator Sean Smith supported the bill. No opposing testimony was presented.

Bill Tracker

Bills continue to be filed daily. Please find an updated bill list using the following link: <https://govwatch.net/report/3BrZGXRqA5>

Upcoming Hearings of Interest

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

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

Key Upcoming Dates

- February 7, 2024 – State of the Judiciary
- March 1, 2024 – Last day of bill filing
- March 18-22, 2024 - Legislative spring break
- April 1, 2024 – Easter break (no session)
- May 10, 2024 – Final day to constitutionally pass the FY 2025 budget
- May 17, 2024 – Last day of the 2024 legislative session
- August 6, 2024 – Missouri primary elections
- September 11, 2024 – Veto session
- November 5, 2024 – Missouri general elections

My thanks,

Nancy Giddens | Principal

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KC Chamber Missouri State Affairs Meeting
Legislator Speakers to be Announced Next Week
February 9, 12-1:15 p.m.
Chamber Boardroom, Union Station