



February 23, 2024

Week eight is in the books and the legislative outlook appears unpredictable at best. The Senate continued debating the highly controversial SJR 74, which modifies the **initiative petition process**. Senate Democrats held the floor for two days criticizing the proposal, which ultimately led to most Senate committees being canceled. After nearly 21 hours, the Senate eventually passed a compromise bill. The House continues to work diligently through its floor calendar, sending various proposals to the Senate for consideration.

Budget Update

House Budget Chairman Cody Smith (R-Carthage) now has filed the FY2024 supplemental and FY 2025 budget bills. The bills reflect Governor Parson's recommendations and updated department requests. Public testimony before the House Budget Committee on various budgets is expected next week. Once public testimony is complete, committee members will begin drafting amendments to ensure their budgetary priorities are included.

Senate Floor Activity

Ballot measures

The Senate kicked off its floor debate this week by returning to SJR 74, sponsored by Senator Mary Elizabeth Coleman (R-Arnold). This resolution, upon voter approval, requires **constitutional amendments** to receive a majority vote in at least five of the state's eight congressional districts. After nearly 21 hours of debate and numerous language iterations, Senator Mike Cierpiot (R-Lee's Summit) offered an amendment that removed all ballot enhancements. This amendment was adopted, and the filibuster ended. The Senate revisited the issue Thursday and passed the resolution by a 22-9 vote. It now will be sent to the House for further consideration.

House Floor Activity

Public safety

The House revisited HB 1659, sponsored by Representative Lane Roberts (R-Joplin), Monday. This bill includes 22 various provisions related to **crime and justice**, all of which House members are familiar and have been debated during previous sessions. It 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. After a brief debate, the House passed the bill by a 120-26 vote.

MO BUCK\$ program

The House dedicated floor time Monday afternoon to revisit HB 1803, sponsored by Representative Terry Thompson (R-Lexington). This legislation specifically relates to the state treasurer's investment in linked deposits and raises the cap to \$1.2 billion from \$800 million. After no debate, the House passed the bill by a 138-10 vote and adopted the emergency clause. The bill now will be sent to the Senate for further consideration. *The KC Chamber and Civic Council have supported this legislation as it would provide additional resources to support small businesses*

Ballot measures

On Tuesday, the House debated HB 1749, sponsored by Representative Mike Haffner (R-Pleasant Hill). The proposal requires **circulated petitions** to include dark ink, 12-point font, and margin settings; requires signatures to be disqualified if the summary statement is altered by the courts; and provides the Attorney General and Secretary of State unprecedented authority to determine if proposed language is constitutional. After a lengthy debate, the House provided the first of two necessary approval votes. The House revisited the bill Thursday and passed it by a vote of 104-41. The proposal will now be sent to the Senate for further consideration.

Taxation of pass-through entities

The House debated HB 1912, sponsored by Representative Mike McGirl (R-Potosi), Wednesday. The bill seeks to clarify the SALT Parity Act (SB 931), which was signed into law in 2022. This language allows certain S corporations to receive a tax credit for income earned in another state with a goal of retaining existing businesses and allows those businesses to determine whether to be taxed at the entity level or as individual owners. After a brief debate, the House provided the first of two necessary approvals by a 115-0 vote.

Committee Activity

Electric rate making

The House Utilities Committee convened Wednesday afternoon to consider passage of HB 2541, sponsored by Representative Josh Hulbert (R-Smithville). The bill is in response to the lack of electrical generation ability to meet future baseload demand. Twenty-six other states have established a pre-determination process to accelerate construction of generation facilities. The objective is to increase generation capacity, which offers both assurance to consumers and confidence to companies investing significant resources. During committee discussion, substitute language was adopted to remove controversial provisions such as predetermination, CWIP-light, and 180-day deadline for determination. The committee substitute also adds natural gas generation to the Plant in Service Accounting (PISA) provisions, with 100% recovery, and removes the sunset on PISA provisions. Once modified, the committee passed the bill by a 12-0 vote. ***The KC Chamber is supportive of this legislation.***

DEI in state departments

The House General Laws Committee convened Tuesday afternoon to consider passage of HB 2619, HB 2365, HB 2448, and HB 2569, sponsored by Representatives Cody Smith (R-Carthage), Doug Richey (R-Excelsior Springs), Brad Hudson (R-Cape Fair), and Ben Baker (R-Neosho). The bills seek to prohibit funds from any state department from being used for intradepartmental programs, staffing, or initiatives related to diversity, equity, and inclusion or similar initiatives that promote preferential treatment based on certain characteristics, concepts, collective guilt ideologies, intersectional or divisive identity activism, and the limiting of freedom of conscience, thought, or speech. During committee discussion, substitute language was adopted to combine all four bills into one legislative vehicle. Once modified, the committee passed the bill by a 12-4 vote. ***The KC Chamber and Civic Council oppose this legislation as it will provide grave barriers to workforce recruitment, economic development and put the state and its institutions at risk of losing critical federal funding.***

Angel investing

The House Financial Institutions Committee convened Tuesday afternoon to discuss HB 2226, sponsored by Representative Travis Smith (R-Dora). The bill establishes the "Missouri Angel Investment Incentive Act" to aid early-stage businesses in accessing capital at the right time. The language contains provisions relating to allocation of the tax credits, factors MO Technology Corporation may consider as part of its assessment, and criteria for "qualified businesses." The program contains a \$6 million cap. BioSTL, Next Missouri, Economic Development Corporation of Kansas City, Greater St. Louis, Inc., CODEFI, **Greater Kansas City Chamber of Commerce, Civic Council of Greater Kansas City**, Springfield Area Chamber of Commerce, and the Missouri Chamber of Commerce provided supporting testimony. A private citizen provided opposing testimony.

STEM career awareness

The House Special Committee on Education Reform met Monday afternoon to discuss HB 1972, sponsored by Representative Alex Riley (R-Springfield). The bill creates the Stem Career Awareness Activity Program for grades 9-12. The objective is to enhance enrollment in STEM-related fields and workforce upon graduation. A science coach, MO Chamber of Commerce, Associated Industries of MO, American Council of Engineering Companies, MO Society of Professional Engineers, **Greater Kansas City Chamber of Commerce, and the Civic Council of Greater Kansas City** supported the bill and highlighted the importance of STEM. No opposing testimony was presented.

Historic preservation tax credits

The House Economic Development Committee met Wednesday morning to consider passage of 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 certain areas. During committee discussion, substitute language was adopted to remove provisions regarding Economic Development Advancement Funding (EDAF), extend project timelines from nine months to two years, and require a 120-day turn around for applications. Once modified, the committee passed the bill by a 15-1 vote. *The **KC Chamber and Civic Council** are supportive of this legislation.*

Driver's license modification

The House Special Committee on Homeland Security convened Monday afternoon to discuss HB1413, sponsored by Representative Dan Stacy (R-Blue Springs). Beginning July 1st, 2025, the bill requires Missouri driver's licenses to have a distinguishing mark to show proof of citizenship. Beginning July 1st, 2031, the license also must have the mark to establish a voter's qualification to vote. During committee discussion, substitute language was adopted to remove voting requirement provisions from the bill. Once modified, the committee passed the bill by a 7-3 vote.

Income taxation cap and video service taxes

The Senate Economic Development and Tax Policy Committee met Monday afternoon to consider passage of SJR 50, sponsored by Senator Andrew Koenig (R-Manchester). Upon voter approval, the resolution places a 5.5% cap on income taxes. The resolution also modifies a provision prohibiting sales taxes levied on transactions not taxed as of January 1, 2015, by providing an exception for sales and use taxes on subscriptions, licenses for digital products, and online purchases of tangible personal property. During committee discussion, substitute language was adopted to ensure state and local sales and use taxes are not being imposed on video service in the event a franchise fee already is imposed on the service. Once modified, the committee passed the resolution by a 4-2 vote.

Childcare property

The House Children and Families Committee convened Tuesday morning to consider passage of HB 2183, sponsored by Rep. Wendy Hausman (R-St. Peters). Upon voter approval, the bill proposes to authorize a property tax exemption of 50% of the state and local assessment of real and personal property used by a facility providing care to a child outside of their home. During committee discussion, substitute language was offered to include HB 2529, sponsored by Representative Hannah Kelley (R-Mountain Grove), which includes several provisions including the prohibition of the use of tobacco or marijuana in any area of a licensed childcare provider, establishment of the SUCCESS Tax Credit Program authorizing the creation of a tax credit of \$1800 for expenses related to care for a child below the age of 2 and \$1200 for expenses related to care for a child between the age of 2 and 6, allowance for the governing body of a business or community district to lease or contract facilities with childcare providers, and eligibility for the payment of fees associated with training, licensing, and registration for employees of a licensed childcare provider. Once modified, the committee passed the bill by a 9-0 vote.

Political subdivision tax proposals

The House Special Committee on Tax Reform met Tuesday afternoon to consider passage of HB 2061, sponsored by Representative Ben Keathley (R-Chesterfield). The bill specifies that if a political subdivision submits a tax proposal for a new or increased tax authorized under a specific statute and it does not pass, the proposal cannot be submitted again for four years following the rejection, unless the proposal rededicates the fund or if the tax rate is reduced by 25% or more. After no discussion, the committee passed the bill by an 8-3 vote.

Earnings tax

The House Economic Development Committee convened Wednesday morning to consider passage of HB 1516, sponsored by Representative Jim Murphy (R-St. Louis). Current law authorizes the cities of Kansas City and St. Louis to levy earnings taxes, which are imposed on salaries, commissions, and other compensation earned by nonresidents for work or services performed in the city. This proposal clarifies that St. Louis cannot collect taxes on remote worker salaries and must refund any amounts collected from them already. The bill also requires the City of St. Louis to submit a quarterly report detailing receipts from the earnings tax as long as the city imposes the tax. After brief discussion, the committee passed the bill by a 12-4 vote.

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/hrinqs.htm>

Calendars

[House](#)

[Senate](#)

Key Upcoming Dates

- February 27, 2024 – First day of candidate filing
- March 1, 2024 – Last day of bill filing
- March 18-22, 2024 - Legislative spring break
- March 26, 2024 – Last day of candidate filing
- 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

KC Chamber Missouri State Affairs Meeting

March 8, 12-1:15 p.m.

Chamber Boardroom, Union Station

Speaking Invitations have been extended to several members of the Missouri General Assembly and speakers will be announced next week.

My thanks,

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