



March 8, 2024

It's that time of year. Advocacy groups and school children crowd the capitol halls trying to visit their Representative and Senator. The congested hallways signify several things. Of utmost importance, one legislative week remains before spring break begins and legislators, staffers, and lobbyists get a week break from their favorite issues.

Budget Update

State Budget Director Dan Haug announced that net general revenue collections for February 2024 grew 18% compared to those for February 2023, from \$703.5 million last year to \$830.3 million this year. The net general revenue collections for 2024 fiscal year-to-date increased 1.3% compared to February 2023, from \$8.31 billion last year to \$8.42 billion this year.

The House debated HB 2016, sponsored by Representative Cody Smith (R-Carthage) this week. This is the emergency supplemental bill that backfills funding from the Governor's Discretionary Fund to support the deployment of 200 National Guardsman and 22 Missouri High Patrol Officers. After considerable debate, the House passed the bill by a 122-12 vote, and it was sent to the Senate for further consideration. It is expected that the House budget mark-up process will begin next week as Representative Cody Smith (R-Carthage) previously stated he would like his committee to finish drafting its version of the Fiscal Year 2025 (FY25) state budget prior to spring break.

The Senate has finished hearing from the various departments on new decision items (NDIs) and governor recommendations this week. The Senate Appropriations Committee now is at a standstill and waiting for the House to finish crafting its budget. As a reminder, the FY25 budget must be completed by the constitutional deadline of May 10th.

Senate Floor Activity

Mo BUCK\$ program and currency regulation

The Senate revisited SB 736, sponsored by Senator Sandy Crawford (R-Buffalo) Thursday. This legislation specifically relates to the state treasurer's investment in linked deposits and raises the cap to \$1.2 billion from \$800 million. During debate last week, Senator Bill Eigel (R-St. Charles) amended the bill to include SB 735, which creates and modifies provisions relating to gold and silver and Senator Rick Brattin (R-Belton) amended it to prohibit the state treasurer from accepting payments using central bank digital currency. After no further debate this week, the Senate passed the bill by a 24-9 vote. The bill now will be sent to the House for further consideration. *The KC Chamber and Civic Council support this legislation.*

Public safety

The Senate revisited SB 754, sponsored by Senator Tony Luetkemeyer (R-Parkville), this week. The bill, as filed originally, establishes Max's Law to increase penalties 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. During the bill's progression through the committee process, the bill was modified to reflect SB 189 that passed last session but was then vetoed by Governor Parson and now includes the following:

1. SB 841 – modifies provisions relating to funding for the Office of Public Defender
2. SB 887 – modifies provisions relating to certification of juveniles for trial as adults
3. SB 765 – establishes a conviction review unit
4. SB 861 – modifies provisions relating to expungement
5. SB 746 – modifies provisions relating to eligibility for parole
6. SB 760 – modifies provisions relating to the critical incident stress management program

After several hours of debate last week, the bill was modified to include SB 1070, which establishes a statewide task force focused on addressing cybercrimes and stalking, SB 788, that creates "**Blair's Law**," and SB 901, which establishes "Valentine's Law" that creates the offense of aggravated fleeing a stop or detention of a motor vehicle. The Senate passed the bill by a 23-10 vote. The proposal now will be sent to the House for further consideration.

House Floor Activity

Jackson County assessor

The House dedicated floor time Tuesday to debate HJR 68, sponsored by Representative Dan Stacey (R-Blue Springs). 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. After a brief debate, the House provided its first of two necessary approval votes. The House revisited the bill Thursday and passed it by a 116-10 vote. The bill now will be sent to the Senate for further consideration.

Waterways and ports trust fund

The House dedicated floor time Tuesday to debate HB 2352, sponsored by Representative Cindy Buchheit-Courtway (R-Festus). The bill loosens eligibility requirements and changes completion time to two years within appropriation of legislative funds. During the bill's legislative progression, the language was modified to allow STL Port Authority to access the funds and to include requirements that improve commerce or terminal and transportation facilities on or adjacent to the navigable rivers of Missouri. Once modified, the House provided its first of two necessary approval votes. The House revisited the bill Thursday and passed it by a 144-0 vote.

Early childhood education funding

The House dedicated floor time Tuesday to debate 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. After a brief debate, the House provided its first of two necessary approval votes. The House revisited the bill Thursday and passed it by a 102-43 vote. The bill now will be sent to the Senate for further consideration. *The **KC Chamber and Civic Council** support this legislation.*

Committee Activity

Corporate income tax elimination

The Senate Economic Development and Tax Policy Committee convened Monday afternoon to discuss SB 1029, sponsored by Senator Mike Moon (R-Ash Grove). The bill seeks to eliminate the corporate income tax incrementally over a period of five years, to be fully eliminated by calendar year 2029. Associated Industries of MO and MO Chamber of Commerce supported the bill. MO NEA and the MO Budget Project opposed it.

The committee then turned its attention towards SB 823, sponsored by Senator Denny Hoskins (R-Warrensburg). The bill seeks to reduce the corporate income tax rate to 2.25% and provides additional 0.5% reductions for every \$50 million collected. Associated Industries of MO and MO Chamber of Commerce supported the bill. MO NEA, and MO Budget Project presented opposing testimony.

Taxation of pass-through entities

The Senate Economic Development and Tax Policy Committee convened Monday afternoon to consider passage of SB 1250, sponsored by Senator Andrew Koenig (R-Manchester). 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 no discussion, the committee passed the bill by a 3-1 vote.

Attracting amateur sporting events

The Senate Economic Development and Tax Policy Committee convened Monday afternoon to consider passage of SB 1036, sponsored by Senator Greg Razer (D-Kansas City). The bill provides a tax credit to nonprofit organizations, described as "certified sponsors," that are active members of the Sports Events and Tourism Association to help attract amateur sporting events to the state. During committee discussion, substitute language was adopted to remove the cap increase. Once modified, the committee passed the bill by a 4-0 vote.

Shutdown orders

The House Special Committee on Small Business convened Monday evening to discuss HB 2796 and HB 2874, sponsored by Representatives Jim Murphy (R-St. Louis) and Brian Seitz (R-Branson). The bills are similar and establish the "Protecting Missouri's Small Businesses Act." They define "shutdown order," and requires political subdivisions that implement a shutdown order which closes businesses at least 21 days to waive business license fees and reduce real and property tax liability. No supporting or opposing testimony was presented to the committee.

Non-compete employment covenants

The House Special Committee on Small Business convened Monday evening to discuss HB 2787, sponsored by Representative Ben Keathley (R-Chesterfield). The bill establishes the "Uniform Restrictive Employment Agreement" and seeks to address employment covenants and ensure Missouri is enforcing non-compete covenants equally to other states. No supporting testimony was presented to the committee. The Missouri Chamber of Commerce provided opposing testimony stating there already are statutes addressing this issue and the language would add an entirely new regulatory framework to non-competes that would be costly for businesses to implement.

Critical race theory

The Senate Select Committee on Empowering Missouri Parents and Children convened Tuesday morning to discuss SB 918, sponsored by Senator Denny Hoskins (R-Warrensburg). The bill prohibits any public school district from using private, state, or federal funding to adopt curriculum which enshrines the pillars of the 1619 Project or concepts of Critical Race Theory.

The bill also requires school districts to adopt age-appropriate curriculum for social studies courses in grades Kindergarten through twelve which emphasizes civic knowledge and participation through an understanding of the founding documents of the United States. The Missouri Branch of the NAACP, Missouri NEA, Missouri AFT, and three private citizens provided opposing testimony. No supporting testimony was presented to the committee.

Hospital collaboration

The Senate Commerce, Consumer Protection, Energy, and the Environment Committee convened Tuesday morning to consider passage of SB 789, sponsored by Senator Greg Razer (D-Kansas City). The bill mandates that no hospital district board of trustees shall approve any agreement to partner or otherwise collaborate with any health care system operated by an institution of higher education that is located outside Missouri for the purpose of providing health care services to Missouri residents unless the agreement is first submitted to the voters of the district and approved by two-thirds of votes cast. This bill is in response to the University of Kansas Medical System's desire to take over the Liberty hospital system. After no discussion, the committee passed the bill by a 5-3 vote.

Tax exemption for nuclear construction

The Senate Commerce, Consumer Protection, Energy, and the Environment Committee convened Tuesday morning to discuss SB 1388, sponsored by Senator Greg Razer (D-Kansas City). The bill authorizes a state and local sales tax exemption for the purpose of constructing a new nuclear security enterprise located in Kansas City. Promontory 150, **Greater Kansas City Chamber Commerce, Civic Council of Greater Kansas City**, City of Kansas City, South Kansas City Chamber of Commerce, and the Economic Development Corporation of Kansas City supported the bill. Sierra Club and Mid MO Fellowship of Reconciliation opposed the bill.

The House Economic Development Committee met Wednesday morning to discuss HB 2710 and HB 2681, sponsored by Representatives Chris Brown (R-Kansas City) and Anthony Ealy (R-Grandview). The bills are House companions to the bill detailed above. Committee discussion and testimony mirrored the Senate hearing.

Reliable power

The Senate Commerce, Consumer Protection, Energy, and the Environment Committee convened Tuesday morning to discuss SB 1422, sponsored by Senator Rusty Black (R-Chillicothe). The bill is in response to the pressing need for reliable baseload power and allows the use of plant and service accounting (PSA), which makes it possible to get back full investments made into utility projects. The language also provides utilities a depreciation of 100% of expenses, instead of 85%, and extends the sunset date from December 31, 2028, to December 31, 2035. During bill presentation, the sponsor stated he worked closely with the PSC and removed controversial sections including predetermination process and construction work in progress financing provisions. Everygy, **Greater Kansas City Chamber of Commerce**, Ameren MO, MO Chamber of Commerce, and Hunt Midwest supported the bill. Sierra Club, Consumers Council of MO, and MO Industries Consumers opposed it.

Sale of tobacco products

The House Government Efficiency and Downsizing Committee met Wednesday morning to discuss HB 2060, sponsored by Representative Ben Keathley (R-Chesterfield). The bill specifies the state shall preempt any local laws, ordinances, orders, rules, or regulations enacted by a county, municipality, or other political subdivision of the state regulating the sale of tobacco products, alternative nicotine products, or vapor products. Ware Brands, MO Smoke Free, Kum n Go, MO Petroleum and Convenience Store Association, and the City of Eureka supported the bill and stated the language provides consistency and predictability for products being sold throughout the state. American Heart Association, MO State Medical Association, MO Nurses Association, American Society Cancer Action Network, Springfield Green County Health, MO Association of Local Public Health Agencies, MO Academy of Family Physicians, and MO Center for Public Health Excellence opposed the bill and stated the language would preclude all local ordinances and stated any licenses to sell tobacco is provided at the municipal or county level and implementing this law, would move oversight, enforcement, and regulation to the state. MO Municipal League provided informational testimony and informed committee members that the bill as drafted prohibits cities from enforcing sales to minors.

Earnings tax reductions

The House Economic Development Committee met Wednesday morning to consider passage of HB 2464 and HB 2460, sponsored by Representatives Steve Butz (R-St. Louis) and Jim Murphy (R-St. Louis). The bills seek to exempt from the city earnings tax all income for taxpayers making \$30,000 or below. During committee discussion, the bills were combined into one legislative vehicle and language was included to exempt Kansas City from all provisions. Once modified, the committee passed the bill by a 10-4 vote.

Highways and transportation commission

The House Transportation Accountability Committee met Thursday morning to discuss HB 2568, sponsored by Representative Don Mayhew (R-Crocker). The bill seeks to modify the structure of the State Highways and Transportation Commission. During discussion, substitute language was adopted to remove requirement that both chambers of the General Assembly vet candidates and require the members take turns at chairman in order of legislative districts. Once modified, the committee passed the bill by a 7-5 vote.

Motor fuel tax

The House Transportation Accountability Committee convened Thursday morning to discuss HB 2072, sponsored by Representative Don Mayhew (R-Crocker). The bill modifies provisions relating to the motor fuel tax exemption. Currently, motor fuel is exempt from fuel tax, and an exemption and refund may be claimed by a taxpayer if the tax has been paid and no refund has been previously issued. These exemptions and refunds are currently issued on a fiscal year basis. The bill seeks to align the exemptions and refunds based on the tax year and would allow a person to apply for a standard/flat refund in the amount of \$30 for the 2024 tax year, \$45 for the 2025 tax year, and \$60 for the 2026 tax year. Additionally, the bill also authorizes a taxpayer to donate the motor fuel tax refund to a tax-exempt nonprofit entity by providing the entity with all required documentation and a signed statement indicating that the nonprofit is entitled to the taxpayer's refund. Lastly, the bill establishes the "Motor Fuel Tax Fund of 2021," to include all refundable revenue collected to be deposited. Any money in the fund not refunded to a motor fuel purchaser within the required time will remain in the Fund and be subject to appropriation by the General Assembly for road and bridge projects for state-owned infrastructure. During discussion, substitute language was adopted that ties the amount of the refund to the CPI. Any additional funding not claimed by refund will be distributed to rural and other road projects and not placed in the Motor Fuel Tax Fund. Once modified, the committee passed the bill by a 10-3 vote.

Social media safety and STEM career awareness

The Senate Select Committee on Empowering Missouri Parents and Children convened on Thursday morning to consider passage of SB 976, sponsored by Sen. Travis Fitzwater (R-Holts Summit). The bill requires DESE to develop a model curriculum for school-district instruction on safe social media use and appropriate online behavior to students in grades 6 through 12 and to develop a "STEM Career Awareness Program" to increase awareness of STEM careers and relevant training for students in grades 9 through 12. During discussion, substitute language was adopted to make the instruction optional for school districts and provide flexibility for school districts. Once modified, the committee passed the bill by a 10-0 vote.

Bill Tracker

Although bill filing has ended you can still see the status of pending legislation through this 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>

Calendars

[House](#)

[Senate](#)

Key Upcoming Dates

- 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

My thanks,

Nancy Giddens | Principal

The Giddens Group

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208 Madison Street | Jefferson City, MO 65101

KC Chamber Missouri State Affairs Meeting

April 12, 12-1:15 p.m.

Chamber Boardroom, Union Station