



April 5, 2024

This was a short legislative week as legislators didn't convene until Tuesday given the weekend holiday. While the week was short on days, it was long on hours, with the Senate and House floors working on issues like the state's 2025 budget, landfill policy, and more.

In Brief

- Three Missouri Republican Senators, Senators Rick Brattin, Denny Hoskins and Nick Schroer, are being sued for defamation over social media posts incorrectly identifying a Kansas man as an undocumented immigrant and the shooter at the Kansas City Chief's Super Bowl victory celebration. The suit, brought by Denton Loudermill of Olathe, KS, is like a complaint filed last week against U.S. Congressman Tim Burchett of Tennessee. No hearings have been scheduled in any of the lawsuits.
- St. Louis is one of the three cities the Department of Justice has identified as "most in need" of additional crime-fighting resources, so Attorney General Merrick Garland will be sending additional law enforcement resources to help. The effort is part of the DOJ's Criminal Division Violent Crime Initiative (VCI) that launched in September 2022.
- Jackson County's offices remain closed after a ransomware attack occurred Tuesday morning that disrupted multiple county services. Measures are actively in place to prevent further compromise to the county's network as it, in conjunction with federal law enforcement and contracted cybersecurity specialists, continues its investigation into the origin of the attack. The impact on the county does not include taxpayers' personal and sensitive financial information.

Budget Update

The House finished crafting its version of the \$50.7 billion FY25 budget this week. The House version contains \$1.9 billion less than Governor Mike Parson's recommended budget. On Tuesday, the House debated the budget for nine hours before giving initial approval of the 17 appropriation bills. Over 400 amendments were filed for the bills with 109 of those being adopted. Some of the failed amendments included restoring Governor Parson's recommendation of a 3% increase in core funding for colleges and universities, rather than the committee recommendation of a 2% increase, an increase in rates for the centers for independent living, and a cut to children's health premiums.

Some amendments that did pass include a cut of \$53.4 million in federal funding for COVID-19 mitigation and prevention, \$250,000 for mental health services for members of the Highway Patrol, \$300,000 for an environmental impact study for **I-70 for improvements** between Blue Springs and Grain Valley, restoration of a \$2 million transfer for tourism, increases in grants to provide education on opioid abuse, and over \$25 million dedicated to establishing an engineering program and facilities at UMSL.

All eyes now will turn to the Senate as Senators begin to craft its version. Sweeping changes are expected. The Senate has only five weeks to mark-up the bills, debate them before the full Senate, and reconcile differences with the House before the constitutional **budget deadline of May 10th**.

Senate Floor Activity

Business development

The Senate dedicated floor time Thursday morning to revisit SB 894, sponsored by Senator Travis Fitzwater (R-Fulton). The bill establishes provisions relating to the promotion of business development and creates the **Regulatory Sandbox Act**, which provides an **expedited pathway for small businesses** creating innovative products to navigate state regulation and oversight. To spur entrepreneurship and innovation, the language allows for the **waiver or suspension of certain regulations for two years** by applying to the Regulatory Relief Office created within the Department of Economic Development. The bill also includes Right to Start provisions. After a brief bill review, the Senate passed the proposal by a 31-1 vote. The bill now will be sent to the House for further consideration. *The KC Chamber and Civic Council support this legislation.*

In the meantime, the House companion bill continues to progress. The Senate Economic Development and Tax Policy Committee convened Tuesday afternoon to discuss HB 1960, sponsored by Representative Alex Riley (R-Springfield). The Opportunity Solutions Project, MO Chamber of Commerce, Economic Development Corporation of KC, Associated Industries of MO, City of KC, **Civic Council of KC**, United We, **Greater KC Chamber of Commerce**, Springfield Chamber of Commerce, MO Retailers Association, and the MO Grocers Association supported the bill. No opposing testimony was presented.

Income taxation cap

The Senate dedicated floor time Wednesday afternoon to debate 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 the bill's legislative progression, the language was amended to include the **Taxpayers Bill of Rights**, which limits the amount of revenue governments can retain and spend and requires excess revenue to be refunded to taxpayers. The resolution passed the Senate by a 31-1 vote and now will be sent to the House for further consideration. *The KC Chamber and Civic Council oppose state limits on local taxation and spending authority.*

House Floor Activity

Initiative petition reform

The House revisited HJR 86, sponsored by Representative John Black (R-Maysville), Wednesday morning. The bill ends the simple majority rule and replaces it with concurrent majority requirements, requires a public forum be conducted by the Secretary of State for initiative petitions, and requires those proposing initiative petitions to be U.S. citizens. After a lengthy debate, the House passed the bill by a 106-49 vote.

Committee Activity

Education reform

The House Special Committee on Education Reform convened Tuesday morning to discuss SB 727, sponsored by Senator Andrew Koenig (R-Manchester). The bill increases the **Empowerment Scholarship Account Program (ESA)** tax credit cap from \$50 million to \$75 million and allows charter schools to expand in Boone County. During the bill's legislative progression, it was amended to include **four-day school week provisions, teacher pay, and foundation formula funding that accounts for enrollment** rather than solely daily average attendance. After brief discussion, the committee passed the bill by a 6-2 vote.

MO BUCK\$ program

The House Financial Institutions Committee convened Tuesday morning to discuss SB 736, sponsored by Senator Sandy Crawford (R-Buffalo). This legislation relates to the state treasurer's investment in linked deposits and raises the cap to \$1.2 billion from \$800 million. During the bill's legislative progression, it was amended to create provisions relating to gold and silver and prohibit the state treasurer from accepting payments using central bank digital currency. Missouri Bankers Association, FSC Financial, Missouri Chamber of Commerce, Missouri Credit Union Association, Missouri Farm Bureau, **Greater Kansas City Chamber of Commerce, Civic Council of Greater Kansas City**, and Economic Development Corporation of Kansas City provided supporting testimony for the MO Bucks provisions specifically stating this would help lower interest rates on loans for bank consumers. Missouri State Treasurer's Office provided informational testimony. No opposing testimony was presented to the committee.

Angel investing

The Senate Economic Development and Tax Policy Committee convened Tuesday afternoon to consider passage of SB 1178, sponsored by Senator Denny Hoskins (R-Warrensburg). 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. During committee discussion, substitute language was adopted to better align the bill with its House companion by changing the program's start date, delaying the dates the credit automatically increases, shortening the sunset to six years, and changing "region" to "county." Once modified, the committee passed the bill by a 3-1 vote. *The KC Chamber and Civic Council support this legislation.*

Records expungement

The House General Laws Committee convened Wednesday evening to consider passage of HB 2555, sponsored by Representative Justin Hicks (R-Lake St. Louis). The bill modifies several provisions relating to expungement. Specifically, it closes records and files maintained by any court pertaining to clean slate eligible offenses without the filing of a petition and require the Office of State Courts Administrator (OSCA) to identify and transfer monthly all clean slate eligible offenses records to a central repository and every prosecuting agency in the state within 30 days of an offense becoming eligible for expungement. OSCA shall report annually to certain legislative committees the number of records expunged. The proposal also creates the “Missouri Expungement Fund” to provide system upgrades and staffing necessary to implement these provisions. Finally, it allows credit bureaus to report records of arrests, indictments pending trial, and convictions of crimes for no longer than seven years from final disposition, unless the records have been expunged or the person pardoned. During committee discussion, substitute language was adopted to specify that when expungement of records occurs, only the highest offense is removed. Once modified, the committee passed the bill by a 13-0 vote.

Initiative petition reform

The House Elections and Elected Officials Committee convened Tuesday afternoon to consider passage of 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. Currently, constitutional amendments must win a simple majority of voters statewide. During lengthy committee discussion, substitute language was adopted prohibiting foreign interference including sponsoring or contributing to campaigns, owners of petitions and votes must be residents of the state, and only U.S. citizens may vote. Once modified, the committee passed the bill by an 11-5 vote.

The Senate Local Government and Elections Committee convened Tuesday afternoon to consider passage of HB 1749, sponsored by Representative Mike Haffner (R-Pleasant Hill). The bill modifies the circulated petition to include dark ink and 12-point font and margin settings. It requires signatures to be disqualified if the summary statement is altered by courts. The bill also gives the Attorney General and Secretary of State unprecedented authority to determine if the proposed language is constitutional. After no discussion, the committee passed the bill by a 5-1 vote.

STL earnings tax

The Senate Fiscal Oversight Committee met Thursday morning to discuss SB 1475, sponsored by Senator Curtis Trent (R-Springfield). 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. Associated Industries of MO supported the bill. The City of St. Louis opposed the bill.

Bill Tracker

Please find your updated bill list via 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>

Calendars

[House](#)

[Senate](#)

Key Upcoming Dates

May 10, 2024 – Last 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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**Reps Maggie Nurrenbern & Sherri Gallick at
KC Chamber Missouri State Affairs Meeting
April 12, 12-1:15 p.m.
Chamber Boardroom, Union Station**