
CAPITOL REPORT



WEEK NINETEEN - Adjourned

The 2024 Missouri legislative session officially came to an end on Friday, May 17th. While some tensions carried over from previous sessions, many were hopeful for a productive session and wanted to remain focused on priority issues like tax reform, school choice, and IP reform. Legislators even filed a new record amount of bills with a total of 2,607 bills to be considered this session.

As session progressed, Capital regulars slowly started losing hope that the 2024 legislative session would be any more productive than the 2023 session with the formation of the Freedom Caucus in both the Senate and House chambers. This negative narrative seemed to dominate every interaction in both chambers and created a number of unprecedented events, none of which provided for a productive session.

Ultimately, disagreements also led to not one, but TWO, record setting filibusters in the Senate. The first being led by the Freedom Caucus regarding the renewal of the Federal Reimbursement Allowance (FRA), which lasted for 41 hours. A week later, the second record filibuster, which was led by the Democratic caucus, lasted over 50 hours regarding initiative petition reform.

This session was also the first session, in this century, to not have a single conference committee over the budget or any policy bills period, which ultimately contributed to a limited number of bills being Truly Agreed to and Finally Passed to date, barely surpassing the abbreviated 2020, COVID pandemic session which saw only 42 bills passed.

Although this session we had an extra two weeks, along with countless hours spent in committee meetings and on floor debate, most of the proposed legislation failed to advance to Governor Mike Parson's desk. By adjournment Friday, only a mere total of 45 bills were truly agreed to and finally passed and 18 of those were appropriation bills.

Below is a summary of bills of interest that were sent to the Governor for final approval. Governor Parson's administration will spend the next eight weeks reviewing the TAFP'd bills and issuing his signature and vetoes. Bills signed by the Governor will become law on August 28th, unless they were passed with an emergency clause, in that event, they will become effective immediately upon signature.

PASSED: Omnibus Political Subdivision

HB 2062, sponsored by Representative Chris Brown (R-Kansas City). As originally filed, the bill prohibits any county, municipality, or political subdivision from imposing or enforcing a moratorium on eviction proceedings unless specifically authorized by state law. During previous senate debate, the bill was amended to include several provisions, of specific interest the bill **now includes SB 884, which seeks to improve the historic preservation tax**

by increasing transparency and reliability by implementing deadlines for responses from the State Historic Preservation Office and requires those standards to match federal standards; SB 750, relating to property taxes and land bank act; HB 2874, relating to the Protecting Missouri's Small Business Act; and a compromised version of HB1511, which requires political subdivisions that require the installation of electric vehicle charging stations at certain businesses to pay the costs associated with the installation, maintenance, and operation of such stations.

PASSED: Broadband/VSP

SB 872, sponsored by Senator Karla Eslinger (R-Wasola). Currently, a taxpayer may deduct from state income tax 100% of any federal grant money received for the purpose of providing or expanding access to broadband internet to areas of the state that lack access. This bill expands the deduction to included state or local grant money and limits the deduction only to money dispersed for this express purpose. Additionally, the bill includes three additional provisions. Specifically, SB 947, which modifies the definition of "video service" for provisions of law relating to video service providers to include the definition of streaming content; SB 1411, which extends the sunset on the Uniform Small Wireless Facility Deployment Act from January 1, 2025 to December 31, 2029; and SB 896, which creates a state and local sales tax exemption for utilities, equipment, and materials used to generate or transmit electricity.

PASSED: Prescription Drug Coverage

SB 751, sponsored by Senator Justin Brown (R-Rolla). As filed, the bill contained several provisions relating to insurance coverage of pharmacy services. During progression through the Senate process, the bill was amended to narrow the provisions and now the bill only applies to the distribution of 340B drugs.

PASSED: FRA

SB 748, sponsored by Senator Lincoln Hough (R-Springfield). This is the Federal Reimbursement Allowance sunset extension, which is critical to the funding of the state's healthcare programs as it provides almost \$4.5 billion in Medicaid funding for Missouri each year.

PASSED: Virtual School Programs

SB 780, sponsored by Senator Karla Eslinger (R-Wasola). The bill modifies the Missouri Course Access and Virtual School Program. The sponsor stated the intent of the bill is to help virtual students receive more educational resources from their resident districts, without taking away time from course instruction.

HB 2287, sponsored by Representative Phil Christofanelli (R-St. Peters). This is the House companion bill to SB 780, highlighted above.

PASSED: Empowerment Scholarship Account Program

SB 727, sponsored by Senator Andrew Koenig (R-Manchester). The bill expands the Empowerment Scholarship Account Program (ESA) statewide and increases the cap from \$25 million to \$75 million. Additionally, the bill includes a charter school expansion to operate in Boone County. Additionally, the bill includes funding mechanisms and language clarifying that homeschoolers cannot participate in the ESA program.

PASSED: Omnibus Veterans

SB 912, sponsored by Senator Ben Brown (R-Washington). The bill as filed, modifies several provisions relating to veterans, of specific interest the bill prohibits any foreign ownership of agricultural land near military areas.

PASSED: SALT Parity Clean-up

HB 1912, sponsored by Representative Mike McGirl (R-Potosi). The bill is the House companion to SB 1250, sponsored by Senator Andrew Koenig (R-Manchester) and seeks to provide clarifications and clean-up language for the SALT Parity Act (SB 931), which was signed into law in 2022.

PASSED: Business Development

SB 894, sponsored by Senator Travis Fitzwater (R-Fulton). The bill establishes provisions relating to the promotion of business development. Specifically, the bill creates the Regulatory Sandbox Act which provides small businesses creating innovative products in all industries 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. The bill also eliminates the Small Business Fairness Board, and includes the Right-to-Start Act.

PASSED: Landfill Permitting

HB 1751, sponsored by Representative Mike Haffner (R-Pleasant Hill). Currently, the Missouri Department of Natural Resources (DNR) is prohibited from issuing a permit for the operation of a solid waste disposal area designed to serve a city with a population greater than 400,000 inhabitants located in more than one county, if the site is located within one mile of an adjoining municipality without its approval.

DEAD: PSC Commissioners

SB 934 sponsored by Senator Mike Bernskoetter (R-Jefferson City). Currently the Public Service Commission has 5 commissioners that are appointed by the Governor, with the advice and consent of the Senate. The Governor is not bound by any geographic restrictions and is only required to have 3 commissioners from his/her party. The bill proposes to add 2 commissioners to the Public Service Commission, both of which must have a background in production agriculture. The bill also proposes that no more than 1 commissioner can be from each congressional district.

DEAD: Phasing Down Personal Property Taxes

HB 1669, sponsored by Representative Mark Matthiesen (R-O'Fallon). Currently, assessors annually assess all personal property at 33.3% of its true value in money. The bill seeks to phase down personal property taxes by 2% each year until 2036, ultimately leaving the rate at 6%. During committee discussion, committee members expressed concern for smaller counties and their ability to compensate for the lost revenue and how the reduction would affect the county employee retirement funds.

HJR 88, also sponsored by Representative Matthiesen. Upon voter approval, the proposed Constitutional amendment would eliminate taxes on tangible personal property.

DEAD: Child Care Tax Credits

HB 1488, sponsored by Representative Brenda Shields (R-St. Joseph). The bill is the House companion to SB 742, sponsored by Senator Lauren Arthur (D-Kansas City) and authorizes three different tax credits for child care. Specifically, the "Child Care Contributor Tax Credit Act", "Employer-Provided Child Care Assistance Tax Credit Act", and "Child Care Providers Tax Credit Act".

DEAD: Modifying MO Works Program

SB 1301, sponsored by Senator Jason Bean (R-Holcomb). The bill seeks to improve the MO Works Program by making changes to the MO Department of Economic Development to provide the Department more flexibility to attract more businesses to the State. Specifically, the bill removes expiration dates, combines the advanced industrial manufacturing (AIM) zone and a targeted industrial manufacturing enhancement (TIME) zone tax incentives with the MO Works Program, and clarifies the total authorized tax credit cannot exceed \$181 million.

DEAD: Sporting Events Tax Credit

HB1483 was the companion to SB 1036) and reauthorized a tax credit that is used to attract amateur sports events that is due to sunset in 2025. There is a \$6 million cap. During committee discussion earlier in the week, a committee substitute for HB1483 was adopted to modify the title to "relating to taxation" in order to include SB 1431, establishes an entertainment district at the Lake of the Ozarks; SB 1010, reauthorizes an income tax deduction for certain savings accounts; and SB 1041, raises the neighborhood assistance tax credit and youth opportunities and violence prevention tax credit from 50% to 70%. Once modified, the committee passed the bill by a 5-0 vote but failed to reach the finish line.

DEAD: Initiative Petition Reform

HJR 72 and HJR 102, sponsored by Representative Ed Lewis (R-Moberly), are similar and require a majority vote beyond the 50 plus one simple majority currently required to adopt an amendment to the Missouri state

constitution. However, HJR 72 requires a simple majority plus the majority of the congressional districts and HJR 102 requires a simple majority plus a majority of all of the Missouri House of Representatives.

HB 1749, sponsored by Representative Mike Haffner (R-Pleasant Hill), which modifies the circulated petition to include dark ink and 12 point font and margin settings. In addition, the bill also requires signatures to be disqualified if the summary statement is altered by the courts. Finally, the bill also gives the Attorney General and Secretary of State the unprecedented authority to determine if the proposed language is constitutional.

SJR 74, sponsored by Senator Mary Elizabeth Coleman (R-Arnold). Currently, constitutional amendments must win a simple majority of voters statewide. Upon voter approval, the resolution modifies voter thresholds by requiring all such proposed constitutional amendments and new amendments to receive a majority of the votes cast statewide as well as a majority of the votes cast in at least a majority of the Congressional districts, with such approved amendments to take effect at the end of 31 days after the election.

DEAD: Non-Opioid Alternatives Pamphlet

SB 830, sponsored by Senator Caleb Rowden (R-Columbia). The bill requires the Department of Health and Senior Services to develop a pamphlet on nonopioid alternatives for pain treatment.

DEAD: MO Works Definitions

SB 785, sponsored by Senator Doug Beck (D-St. Louis). The bill modifies the Missouri Works program by modifying definitions, including the definitions of average wage, gross wages, taxable wages, new payroll, and notice of intent.

DEAD: Blighted Area Definition

SB 1242, sponsored by Senator Barbara Washington (D-Kansas City). The bill modifies the definition of "blighted area" for the purposes of tax increment financing (TIF).

DEAD: Clarifying Ballot Language

HB 1517, sponsored by Representative Jim Murphy (R-St. Louis). This legislation requires any new tax levy to be voted on by the people, have clear and concise ballot language regarding any new tax levies implemented or extended and include any sunset date provisions. Additionally, the bill seeks to close a loophole within the Hancock Amendment to ensure approved levies do not surpass expenditure limitations.

DEAD: Student Participation and Parental Access in Schools

SB 902, sponsored by Senator Nick Schroer (R-O'Fallon). This is an education omnibus bill relating to student participation and parental access in Missouri schools.

DEAD: School Accreditation and Assessment

SB 814, sponsored by Senator Jill Carter (R-Granby). The bill establishes the "Education Freedom Act," modifies provisions relating to the statewide school assessment system, creates certain school accountability report cards and modifies powers and duties of the State Board of Education.

DEAD: Allegations of Sexual Misconduct by Private School Employees

SB 766, sponsored by Senator Holly Thompson Rehder (R-Sikeston). The bill creates provisions for private schools that fail to disclose an allegation of sexual misconduct against a former employee when furnishing a job reference, including liability for damages to students who are later found to be victims of sexual misconduct by the former employee. The bill also creates provisions relating to liability for legal fees, costs and expenses caused by the private school's failure to disclose the allegations if the former employee is found guilty of sexual misconduct by a court.

DEAD: Parent's Bill of Rights

SB 728, sponsored by Senator Andrew Koenig (R-Manchester). The bill establishes the "Parents Bill of Rights" governing school accountability and access to certain material for parental review, including curriculum and learning materials and prohibits the collection of biometric data of students.

DEAD: School District Superintendent Salaries

HB 2344, sponsored by Representative Ben Keathley (R-Chesterfield). The bill creates provisions relating to school district superintendent salaries in charter counties. A state public advocate provided supporting testimony.

DEAD: State Funding for Early Childhood Education

HB 1486, sponsored by Representative Brenda Shields (R-St. Joseph). The bill proposes to change provisions governing state funding for early childhood education programs.

DEAD: Health Benefit Plan

SB 844, sponsored by Senator Mike Bernskoetter (R-Jefferson City). The bill provides that when calculating an enrollee's overall contribution to an out-of-pocket max or any cost-sharing requirement under a health benefit plan, a health carrier shall include any amounts paid by the enrollee or paid on their behalf. The provisions only apply to high-end drugs and not generic medications unless no higher-end medication is available for the purpose intended.

DEAD: Insulin Drugs and Epinephrin

HB 1632, sponsored by Representative Sean Pouche (R-Kansas City). The bill caps consumer copayments at \$100 for EpiPens and \$35 for 30-day supplies of prescription insulin, regardless of the quantity or type of covered prescription insulin dispensed.

DEAD: Prior Authorization

HB 1976, sponsored by Representative Melanie Stinnett (R-Springfield). The bill allows health providers that have achieved 90% prior authorization approval for healthcare services during a 6 month evaluation period, to not be required to submit prior authorization for the 6 months following that evaluation period.

DEAD: Telehealth Services

HB 1907, sponsored by Representative Melanie Stinnett (R-Springfield). The bill modifies the definition of "telehealth services" to include audiovisual and audio only services and expands which third-party platforms "telehealth services" may be provided.

DEAD: Time-Limited Settlement Demands

HB 2277, sponsored by Representative Bill Hardwick (R-Dixon). The bill replaces the term "time-limited demand" with "settlement demand."

DEAD: Closure of Electric Plants

HB 1753, sponsored by Representative Brad Pollitt (R-Sedalia). The bill creates provisions for the closure of electric power plants.

DEAD: Sports Betting

HB 2331, sponsored by Representative Dan Houx (R-Warrensburg). The bill seeks to legalize sports betting in Missouri.

DEAD: Regional Jail Districts

SB 900, sponsored by Senator Rusty Black (R-Sullivan). The bill modifies provisions relating to regional jail districts.

DEAD: Eliminating Corporate Income Tax

HB 2274, sponsored by Representative Travis Smith (R-Dora). The bill seeks to eliminate corporate income tax, which generates \$484 million