

MISSOURI GROWTH ASSOCIATION

CAPITOL REPORT



ADJOURNED

The 2026 Missouri legislative session officially adjourned sine die on Friday, May 15th at 6:00pm, concluding the second regular session of the 103rd General Assembly and Governor Mike Kehoe's second legislative session as governor. Republicans maintained firm control of both chambers throughout the session, holding a 24-10 majority in the Missouri Senate and a 106-52 majority in the Missouri House of Representatives, with five House vacancies.

This year also marked the beginning of a major transition period within the General Assembly. Nine Missouri State Senators are term-limited and unable to seek re-election in 2026, accounting for more than half of the 17 Senate seats on the ballot next year. In the House, 32 members are term-limited, setting the stage for significant turnover in both chambers ahead of the 2027 legislative session.

After 18 weeks of legislative activity, lawmakers filed approximately 1,350 bills during the session. More than 80 measures — including 17 appropriation bills — were Truly Agreed To and Finally Passed (TAFP'd), surpassing last year's total of 69 enacted bills. A full list of TAFP'd legislation from the 2026 session may be found [here](#).

While partisan disagreements and policy disputes still surfaced throughout the session, legislative leaders largely avoided the procedural gridlock and prolonged floor battles that defined several recent years in the Missouri Senate. Instead, leadership in both chambers remained focused on completing core legislative responsibilities, passing the state budget on time, and advancing key Republican priorities before adjournment.

In many ways, the tone of the 2026 session stood in sharp contrast to 2025, which concluded amid heightened partisan tensions, repeated use of the Previous Question (PQ) motion, and contentious debates surrounding initiative petition reform, abortion policy, and

stadium funding proposals. This year, lawmakers placed a much heavier emphasis on fiscal policy, economic development, infrastructure investment, workforce shortages, public safety initiatives, and tax relief.

One of Governor Kehoe's signature priorities was advancing a long-term phaseout of Missouri's individual income tax. Lawmakers ultimately approved the proposal in the form of a constitutional amendment that will now go before Missouri voters this fall.

In addition to the income tax proposal, lawmakers approved several other major initiatives during the session, including passage of the ICCA hemp regulatory framework, multiple public safety measures, workforce development investments, and several economic development proposals championed by the Governor and legislative leadership. On Thursday, ahead of the Legislature's constitutional adjournment deadline, Governor Kehoe held an end-of-session press conference highlighting what his administration characterized as one of the more productive and collaborative legislative sessions in recent years.

Still, several high-profile issues failed to reach the finish line. Legislation authorizing Video Lottery Terminals (VLTs) stalled despite significant debate and support from various members of legislative leadership. Broader property tax reform proposals also fell short in the final weeks of session after extended negotiations and competing approaches failed to fully align.

Governor Kehoe will now spend the coming weeks reviewing the policy and appropriation bills approved during the 2026 legislative session and determining whether to sign or veto the measures sent to his desk. Appropriation decisions must be finalized by June 30, while action on policy legislation must be completed by July 14. Bills signed by the Governor will generally take effect on August 28, 2026, unless passed with an emergency clause.

Although several priorities remain unresolved and are expected to carry into the interim and the 2027 legislative session, the overall perception surrounding the 2026 session is that lawmakers restored a greater degree of stability and productivity to the legislative process. Compared to recent years marked by procedural battles and partisan stalemates, the session reflected a more measured and functional approach to governing while still

advancing key Republican priorities related to tax relief, economic growth, infrastructure investment, workforce development, and public safety.

With adjournment complete, legislators will now return to their districts for the interim before bill filing resumes later this year ahead of the 2027 legislative session.

PASSED: Eliminating the State Income Tax

HJR 173, sponsored by Representative Bishop Davidson (R–Republic). Upon voter approval, the resolution seeks to gradually eliminate the state individual income tax.

PASSED: Innovation Districts, Missouri Works, Angel Investment, and MODESA Expansion

HB 3231, sponsored by Representative Brad Christ (R–St. Louis). The bill creates a statewide Missouri Innovation Zone program to support downtown redevelopment, business growth, housing, and public safety improvements through reinvestment of new state tax revenues. The bill creates a new program within Missouri Works that will help attract projects with high capital investments. The bill also establishes a Missouri Angel Investment Incentive providing tax credits for investments in qualifying startup and technology-focused businesses, revives and expands MODESA financing tools for large downtown redevelopment projects, creates Missouri opportunity zone tax incentives, streamlines development approvals, and directs some revenues from larger cities into a Rural Missouri Development Fund supporting economic development projects in smaller communities.

PASSED: State Historic Rehabilitation Tax Credit Program

HB 3080, sponsored by Representative Louis Riggs (R–Hannibal). The legislation is intended to reinstate provisions previously enacted in House Bill 2062 (2024), which were struck down by the Missouri Supreme Court due to unrelated provisions, including language concerning backyard chicken coops. The bill revises Missouri’s Historic, Rural Revitalization, and Regulatory Streamlining Act by updating the state historic rehabilitation tax credit program. It modifies definitions, increases certain credit percentages (including for qualifying counties and historic schools), adjusts program caps and timelines, and clarifies application, approval, transfer, and appeals processes for historic rehabilitation tax credits.

PASSED: Critical Infrastructure

SB 903, sponsored by Senator Mike Henderson (R-Bonne Terre). The bill strengthens Missouri law protecting critical infrastructure by expanding what qualifies as such facilities to include utilities, broadband networks, telecommunications systems, and transportation and energy infrastructure. It creates or refines several criminal offenses, including making unauthorized entry onto these sites a Class B misdemeanor and establishing detailed penalties for damaging or tampering with infrastructure, which can rise to a felony—especially if the damage disrupts services. The bill also introduces a new offense for knowingly possessing copper, aluminum, fiber, or telecommunications materials without authorization, generally classified as a felony with enhanced penalties in cases involving critical infrastructure, prior offenses, or coordinated activity. Additionally, offenders may be required to pay restitution and complete community service, reflecting a broader effort to deter theft, vandalism, and service disruptions affecting essential systems.

PASSED: Underground Facilities

SB 1629, sponsored by Senator Travis Fitzwater (R-Holts Summit). Currently, an underground facility owner shall ensure that all new and active underground facilities installed after August 28, 2025, with the exception of storm sewers, shall be installed with a detectable underground location device unless the facility can be detected above ground with an electronic device. The bill applies these provisions to underground facilities installed after August 28, 2026, with the exception of all storm sewers, regardless of the depth of installation.

PASSED: Pharmacists' authority and medication-related services

SB 878, sponsored by Senator Travis Fitzwater (R-Holts Summit). The bill expands the scope of what pharmacists can do in Missouri, particularly allowing pharmacists with a special certificate to provide certain medication therapies under new rules instead of standing orders and allowing pharmacists to prescribe certain durable medical equipment, potentially increasing access to such devices through pharmacies.

PASSED: Anti-Trafficking Efforts

HB 2273, sponsored by Representative Ed Lewis (R-Moberly). The bills are similar and include several provisions seeking to modify sex crimes, increasing the age of offenses, reactivating the statewide task force, provides protections for victims, updates terms, and provides additional resources to prosecuting attorneys.

PASSED: Website Access Litigation

SB 907, sponsored by Senator Brad Hudson (R-Cape Fair). The bill creates the “Act Against Abusive Website Access Litigation,” which establishes a process for individuals or the

Attorney General to bring actions against parties that file abusive lawsuits alleging website accessibility violations under the Americans with Disabilities Act. The legislation outlines factors courts may consider in determining whether such litigation is abusive, creates a 90-day safe harbor period for businesses to address alleged violations, and authorizes courts to award attorney's fees, costs, and additional damages in cases of abusive litigation.

PASSED: Design-Build Authority

HB 2474, sponsored by Representative John Voss (R-Cape Girardeau). The bill is the House companion to SB 1484 and updates Missouri law on the use of design-build contracts by political subdivisions, clarifies contractor selection procedures, creates a progressive design-build option, and outlines requirements for proposals, bonding, and licensing, while exempting certain entities with their own design-build rules.

PASSED: Agricultural Tax Credits

SB 913, sponsored by Senator Kurtis Gregory (R-Marshall). The bill extends the sunsets from 2028 to 2033 on various agricultural tax credits. Specifically, the language impacts the Wood Energy Tax Credit, Meat Processing Facilities Tax Credit, Higher Ethanol Fuel Tax Credit, Biodiesel Retail Tax Credit, Urban Farms Tax Credit, Rolling Stock Tax Credit, Agricultural Production Tax Credits, railroad infrastructure tax credit, 50% Missouri tax credit for short line railroad and rail infrastructure projects, and Specialty Agricultural Crops.

PASSED: Higher Education Board Appointments

HB 2896, sponsored by representative Chris Brown (R-Kansas City). The bill updates Missouri statutes governing public higher-education boards by standardizing board composition, reinforcing political-party balance, and limiting how many members may come from an institution's home county. It removes detailed geographic appointment formulas in favor of simpler, more uniform rules and preserves student representation through nonvoting members, with the goal of modernizing and streamlining governance across public colleges and universities.

PASSED: Dissolution of Marriage

HB 1908, sponsored by Representative Cecile Williams (R-Dittmer) and HB 2337, sponsored by Representative Raychel Proudie (D-Ferguson). The bills are identical and would explicitly allow Missouri courts to enter a judgment of divorce (dissolution of marriage) or legal separation even if a spouse is pregnant. The sponsors intent with the legislation is to modernize family law and prevent courts from postponing a divorce simply

because one party is pregnant, noting this is especially important in cases involving abuse or urgent personal circumstances.

PASSED: Universal Reciprocity for Licensure

HB 2974, sponsored by Representative Melanie Stinnett (R-Springfield). The bill allows out-of-state licensed professionals, including physicians providing telehealth, to practice in Missouri, improving access for rural communities.

PASSED: Healthcare

HB 2372, sponsored by Representative Tara Peters (R-Rolla). The bill is a wide-ranging health care omnibus measure that proposes numerous changes to state law, including updates to provider licensing and scope of practice, modifications to insurance and reimbursement policies, and adjustments to regulatory requirements affecting health care facilities and services across Missouri. The bill also includes provisions related to public health reporting, such as tracking cases of alpha-gal syndrome and Lyme disease. In addition, it expands and clarifies the role of emergency medical response agencies in providing community-based care and coordination, while incorporating broader system integration efforts to improve continuity of care. The legislation further contains changes across multiple sections to modernize Missouri's health care regulatory framework.

PASSED: Regulating Intoxicating Hemp Products

HB 2641, sponsored by Representative Davie Hinman (R-O'Fallon), which proposes the Intoxicating Cannabinoid Control Act. The legislation seeks to align Missouri law with recent federal actions addressing intoxicating hemp-derived products, including certain THC products currently sold outside of the state's licensed marijuana system.

PASSED: Unauthorized Workers

HB 2366, sponsored by Representative Jeff Verneti (R-Camdenton). The bill updates Missouri law to prohibit employers from knowingly hiring or continuing to employ unauthorized workers and requires businesses receiving state contracts, grants, or tax incentives to participate in a federal work authorization program and certify compliance. It also grants the Attorney General authority to investigate and enforce violations, including seeking injunctions, monetary damages, and suspension of business licenses.

PASSED: Regional Convention and Visitors Commission

HB 2934, sponsored by Representative Brad Christ (R-St. Louis). The bill updates how the Regional Convention and Visitors Commission and the Regional Convention and Sports Complex Authority operate in St. Louis City and St. Louis County, proposing changes to

their governance and related provisions that affect regional tourism promotion and management of sports/convention facilities.

PASSED: Drones

SB 1421, sponsored by Senator Nick Schroer (R-St. Charles). The bill seeks to address the growing threat posed by unmanned aircraft systems. In addition to restricting drone operations over open-air venues and critical infrastructure facilities, SB 1421 expands the prohibition to include correctional centers and mental health hospitals. The bill also authorizes law enforcement officers to take mitigation measures against drones that pose an imminent threat to public safety or are involved in criminal activity.

PASSED: Website Access Litigation

SB 907, sponsored by Senator Brad Hudson (R-Cape Fair). The bill creates the “Act Against Abusive Website Access Litigation,” which establishes a process for individuals or the Attorney General to bring actions against parties that file abusive lawsuits alleging website accessibility violations under the Americans with Disabilities Act. The legislation outlines factors courts may consider in determining whether such litigation is abusive, creates a 90-day safe harbor period for businesses to address alleged violations, and authorizes

PASSED: Critical Materials and Pharmaceutical Production

SB 1553, sponsored by Senator Kurtis Gregory (R-Marshall). The bill establishes the “Missouri Defense and Energy Independence Act,” creating incentives to encourage in-state production of critical materials and pharmaceuticals identified on federal supply chain risk lists. It expands sales tax exemptions for manufacturing inputs and provides transferable tax credits of 20–25% for qualified companies investing at least \$5 million in project facilities, with a \$40 million annual cap and the ability to carry credits forward for up to ten years. The legislation also requires companies to enter into agreements with the Department of Economic Development outlining investment levels, production targets, and accountability measures, including clawback provisions. Additionally, it creates a grant program administered through a dedicated fund to support qualifying projects and restricts eligibility to nontraditional defense contractors that meet specific workforce and national security criteria. The program is set to sunset on December 31, 2036.

PASSED: Omnibus Healthcare

SB 1019, sponsored by Senator Sandy Crawford (R-Buffalo). The bill is a broad Missouri health care omnibus bill that includes major telehealth, mental health, Medicaid pathology reimbursement, hospital governance, AI advertising, and insurance reforms. A key provision adds new Section 376.417, establishing protections for 340B covered entities by

prohibiting PBMs and health insurers from discriminating against 340B pharmacies through lower reimbursements, restrictive network terms, extra fees, audit burdens, or claim requirements tied to 340B status.

PASSED: Speed Limit Modifications

SB 1408, sponsored by Senator Jamie Burger (R-Benton). As originally filed, the bill increases the maximum speed limit from 70 miles per hour to 75 miles per hour on roadways currently posted at 70 miles per hour.