

# CAPITOL REPORT

---



WEEK Sixteen

**With just two weeks remaining in the legislative session, activity at the Missouri State Capitol is entering its most consequential phase, as lawmakers accelerate efforts to finalize priorities ahead of adjournment. Attention is increasingly centered on the state budget, which faces a constitutional deadline of May 8 and is expected to drive both the tempo and tenor of legislative activity in the days ahead.**

**As negotiations between the Missouri House of Representatives and the Missouri Senate intensify, revisions to the Fiscal Year 2027 budget will move quickly, often behind the scenes, before surfacing in conference committee reports that require swift action. These late-stage negotiations frequently serve as the venue for resolving not only funding priorities, but also broader policy differences between the chambers.**

**At the same time, movement on non-budget legislation is expected to continue at a rapid and, at times, unpredictable pace. With limited floor time remaining, leadership in both chambers will be forced to make strategic decisions about which measures advance, while rank-and-file members may rely on amendments or procedural tactics to shape outcomes. The compressed timeline, coupled with evolving bill language and short notice for hearings or debate, underscores the high-stakes and fluid nature of the session's final stretch.**

**Budget Update** | On Wednesday, the Senate Appropriations Committee met to review and finalize adjustments to House Bills 17, 18, 19, and 20, with the primary focus on aligning appropriations to actual expenditures and reallocating remaining funds across bills. In House Bill 17, the committee made broad reductions or eliminated funding for projects that have already been fully expended, while also shifting select funds and incorporating a

few Senate priorities, including broadband-related items moved from other legislation. House Bill 18 saw limited changes, primarily restoring the governor's recommended funding levels for certain maintenance and conservation projects.

House Bill 19 represented the most significant area of new spending, with the Senate adding tens of millions of dollars across key categories. This included roughly \$15+ million for higher education and university-related projects, over \$10 million for economic development initiatives, and more than \$10 million for community, health, and social service projects, along with additional investments in local transportation and infrastructure improvements statewide. Notably, the bill also includes \$15 million for a Jefferson City parking garage, a project that has drawn particular attention and debate.

House Bill 20, the ARPA-related appropriations bill, primarily reflected technical reductions due to prior spending, with the committee noting this is likely the final year for allocating those federal funds ahead of the December 2026 deadline. All four bills were passed unanimously out of committee with Senate substitutes, reflecting agreement on the updated budget allocations.

**Broadband Equipment Taxation** | The Senate Committee on General Laws convened Wednesday morning to receive public testimony on HB 2711, sponsored by Representative Dane Diehl (R-Butler). The bill reduces the property tax assessment rate for broadband equipment, and creates a new subclass assessed at 12% of true value, with a sunset provision after seven years. Proponents, including AT&T Missouri, Missouri Cable Telecommunications Association, Missouri Broadband Providers Association, Missouri Electric Cooperatives, and Associated Industries of Missouri, argued the measure would encourage investment, expand broadband access, particularly in rural areas, and create jobs. Opposing testimony from a self-identified state public advocate raised concerns about reduced local tax revenues and fiscal impacts on public services. Following testimony, the committee moved into executive session and passed the bill by a 6-1.

**Historic Tax Credits** | The Senate Committee on Economic and Workforce Development convened Wednesday morning to receive public testimony on HB 3080, sponsored by Representative Louis Riggs (R-Hannibal). The legislation reinstates provisions previously enacted in HB 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 those for qualifying counties and historic schools), adjusts program caps and timelines, and clarifies application, approval, transfer, and appeals processes.

**Property Tax Installments** | On Tuesday, the Senate dedicated time to debate SB 1410, sponsored by Senator Sandy Crawford (R-Buffalo). The bill modifies various provisions relating to property taxes, including requiring earlier and more detailed notice to property owners when assessed valuations increase, along with projected tax liability and itemized information from taxing jurisdictions. The legislation also revises deadlines for appeals to boards of equalization, authorizes counties to offer installment payment options for property taxes, and creates a “trusted contact” program allowing collectors to notify a designated individual if taxes become delinquent. During debate, the sponsor offered a Senate substitute that significantly expands the bill by adding new provisions related to property tax policy, including requirements for clearer ballot language on tax measures, revisions to tax rate calculations and levy adjustments, expanded installment payment options for taxpayers, and additional administrative and reporting requirements for taxing authorities. Multiple amendments were adopted to further modify the bill, including provisions offered by Senator Brad Hudson (R-Cape Fair) to authorize counties to implement a property tax credit program for eligible senior homeowners, provisions offered by Senator Doug Beck (D-St. Louis) to establish a framework supporting school facility improvements while reducing local property tax burdens, and provisions offered by Senator Ben Brown (R-Washington) requiring school districts to report the total amount of certain property tax credits applied within the district. As amended, the Senate provided its first of two approval votes. The Senate dedicated time Thursday morning to revisit SB 1410. With no further debate, the Senate passed the bill by a 31-2 vote, sending it to the House for further consideration.

**Tax Credits** | The House dedicated time Tuesday morning to debate HB 3329, sponsored by Representative Terry Thompson (R-Lexington). The bill updates statute by repealing tax credits that have expired. With no debate, the House provided its first of two approval votes. The House dedicated time Thursday morning to revisit HB 3329. With no debate, the House passed the bill by a 142-0 vote, sending it to the Senate for further consideration.

**Permit Issuance Deadlines** | The Senate Committee on Local Government, Elections and Pensions met Monday afternoon to hear public testimony on HB 1791, sponsored by Representative Jim Murphy (R-St. Louis). The bill establishes timelines for political subdivisions when processing permit applications, including a five-day period to notify applicants of missing information and a ten-day deadline to issue a written decision. It also provides exemptions for areas impacted by natural disasters and allows permits to be automatically approved if deadlines are not met. Additional provisions include a 30-day emergency permit extension, requirements for certified inspectors in jurisdictions adopting recognized building codes, and modifications to fire protection authority related to residential land subdivision. Opponents, such as the Missouri Municipal League and

several fire protection organizations, raised concerns about the bill's expanded scope and the burden it may place on smaller municipalities, particularly in securing certified inspectors.

**Agricultural Tax Credits** | The House Committee on Agriculture convened Tuesday morning to discuss passage of SB 913, sponsored by Senator Kurtis Gregory (R-Marshall). The bill extends the sunset dates on several agricultural tax credit programs from 2028 to 2033, including those related to wood energy, meat processing facilities, higher ethanol fuel, biodiesel retail, urban farms, rolling stock, agricultural production, railroad infrastructure, and specialty agricultural crops. With no discussion, the committee passed the bill by a 16-3 vote.

**Fast Track Enhancements** | The Senate Committee on Economic and Workforce Development convened Wednesday morning to discuss HB 2151, sponsored by Representative Travis Wilson (R-St. Charles), commonly referred to as the "Fast Track fix" bill. The legislation increases the income eligibility thresholds for the Fast Track Workforce Development Incentive Grant program—from \$80,000 to \$100,000 for joint filers and from \$30,000 to \$50,000 for single filers. Supporting testimony was provided by the Missouri Community College Association, which noted that most Fast Track participants enroll at community colleges and emphasized that the bill would expand access and workforce opportunities.

**Solid Waste Management** | The House Committee on Emerging Issues met Wednesday morning to discuss SB 1586, sponsored by Senator Ben Brown (R-Washington). The bill revises Missouri's solid waste management laws by strengthening disclosure requirements for properties containing disposal sites and modifying landfill and transfer station fee structures, while also restructuring the allocation of solid waste management funds. It adjusts how revenue is distributed within the Solid Waste Management Fund, including dedicating a portion to the cleanup of abandoned waste sites and reducing the share allocated to regional solid waste management districts, which continue to operate and administer grants. The legislation also reinforces oversight by the Department of Natural Resources and enhances accountability measures for grant funding and environmental management efforts. The Dean of Engineering at the University of Missouri testified in support, citing the need for clear authority and consistent funding to address abandoned landfill sites. The Solid Waste Advisory Board, and MARC Solid Waste District testified in opposition, raising concerns about reduced funding for recycling and hazardous waste programs. The Western District Commissioner for Marion County testified for informational purposes, emphasizing that small and rural communities rely on solid waste districts to sustain local recycling efforts.

**Speed Limit Modifications** | The House dedicated time Thursday morning to debate 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. During debate, however, the bill was significantly expanded into an omnibus transportation package. Lawmakers adopted several amendments adding a wide range of provisions, including changes to vehicle inspection requirements and resale standards, expanded options for multi-year vehicle registrations, including five-year registration options, updates to motor vehicle titling processes, and provisions related to salvage titles and the establishment of the Missouri Motor Vehicle Commission. Additional amendments addressed transportation project reporting requirements, motorcycle equipment and lighting regulations, the creation of a statewide safe driving education program for high school students, and expanded specialty license plate eligibility for professional sports teams. Lawmakers also adopted provisions related to hands-free driving requirements, establishing new restrictions on the use of electronic devices while operating a vehicle, along with penalties for violations. Overall, the bill evolved from a narrow speed limit increase into a broader package addressing multiple aspects of Missouri transportation policy. The House ultimately passed SB 1408 by a vote of 82–53, and the bill now returns to the Senate for review and approval of the House changes.

**AI Generated Content** | The Senate Committee on General Laws convened Wednesday morning to receive public testimony on HB 2035, sponsored by Representative Jeff Farnan (R-Stanberry). The bill takes a targeted approach to artificial intelligence by establishing criminal penalties related to sexually explicit AI-generated images involving minors and creating provisions governing the use of AI in mental health services, including restrictions on systems representing themselves as licensed professionals. Supporters, including a self-identified public advocate, the National Association of Social Workers, Missouri Chapter, and the Missouri Catholic Conference, emphasized the need for consumer protection, accountability, and safeguards against exploitation. No opposing testimony was presented to the committee.

On Thursday, the Senate dedicated floor time to debate SB 1012, sponsored by Senator Joe Nicola (R-Grain Valley). While similar in subject matter to HB 2035, the bill takes a broader, more comprehensive approach to regulating artificial intelligence by establishing statewide guidelines for the currently unregulated field. It defines AI as a non-sentient entity, outlines liability standards, and regulates its use in areas such as political advertising. During debate, the sponsor offered a Senate substitute that expanded the bill to include provisions governing companion chatbot platforms, including user disclosures, safeguards for minors, and mental health reporting requirements. Floor discussion included concerns

from members about whether the legislation could limit innovation or was premature, as well as questions regarding enforcement of deepfake provisions and liability standards for AI-generated content. Due to concerns surrounding the bill's deepfake provisions, Senator Jill Carter (R-Granby) amended the legislation to remove the section creating the offense of producing a deepfake, and Senator Jamie Burger (R-Benton) further amended the bill to prohibit AI systems from identifying themselves as male or female. As amended, the Senate provided its first of two approval votes.

**Progressive Design-Build |** The Senate Committee on Local Government, Elections and Pensions met Monday afternoon to discuss HB 2474, sponsored by Representative John Voss (R-Cape Girardeau), which updates Missouri law governing design-build contracts for political subdivisions. The bill clarifies contractor selection procedures, introduces a progressive design-build option, and outlines requirements for proposals, bonding, and licensing, while exempting entities with existing design-build authority. Supporters, including the Missouri Municipal League, local governments, engineering groups, and business organizations, argued that the bill provides flexibility and additional tools to meet community needs. Opponent testimony from ArmorVine expressed concern that the legislation could disproportionately benefit larger corporations while disadvantaging smaller builders.

**Regional Planning Commission Funding |** The Senate Committee on Local Government, Elections and Pensions met Monday afternoon to discuss HB 2096, sponsored by Representative Jeff Farnan (R-Stanberry), which increases potential state funding for regional planning commissions. The bill adjusts maximum grant amounts based on the consumer price index and updates the list of eligible commissions. Supporters, including the Missouri Association of Councils of Government and the Missouri Municipal League, noted that the increase represents a cap adjustment and remains subject to legislative appropriations. No opposition testimony was presented.

**County Sales Tax to Fund Early Childhood Education |** The House Committee on Ways and Means convened Monday evening to consider passage of HB 2379, sponsored by Representative Cecelie Williams (R-Dittmer). The bill allows Missouri counties and cities not within a county to impose a voter-approved sales tax specifically to fund early childhood education programs for children aged five and younger. During discussion, a House Committee Substitute was adopted to clearly define childcare providers, limits where the law applies to certain counties and renames the fund to the Early Childhood Education Fund. It also expands the fund to include childcare services and not just education programs, specifies who is eligible to receive funding, and clarifies the county treasurer, and not the board, holds the funding. Finally, it allows for a wider range of

providers to be contracted with and sets a rule that children with the greatest financial need get first priority. As modified, the committee passed the bill by a 7-2 vote.

**Limiting Screen Time in Elementary Schools** | The Senate Committee on Education convened Tuesday morning to receive public testimony on HB 2230, sponsored by Representative Tricia Byrnes (R-Wentzville). The bill, known as the “Student Screen-Time Standards Act,” would require elementary schools to set limits on student screen time, increase use of traditional learning materials, and give parents access to their child’s technology use. It also creates a state council to study screen use and recommend best practices. The bill was amended in the House to remove virtual schools from the bill. Supporting testimony was provided by ArmorVine stating they like the sentiment of the bill and recommend and opt out for MAP testing. Other supporting testimony was provided by a physician, Missouri NEA and private citizens. Opposing testimony was provided by the Missouri Equity Education Partnership who stated that while they support most of the provisions in the bill, they want to ensure IEP and ELL students are not left out of this bill. Upon conclusion of the hearing, the committee immediately entered into executive session to discuss passage of the bill. During discussion, a Senate Committee Substitute was adopted to require the publishing of financial disclosures of school districts. Once modified, the committee passed the bill by a 4-1 vote.

**Higher Education Governing Bodies** | The Senate Committee on Education convened Tuesday morning to discuss passage of 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. During executive session, a Senate Committee Substitute was adopted to require the publishing of financial disclosures of school districts and carves out MSU from the bill. As modified, the committee passed the bill by a 4-1 vote.