



MISSOURI ECONOMIC
DEVELOPMENT COUNCIL

LEGISLATIVE UPDATE

Legislative Update provided by Nexus Group.



Legislative Update

Week 9

March 1, 2024

MEDC UPDATE:

This week, the House Committee on Rural Community Development approved Rep. Greg Sharpe's [HB 2240](#), which would create a workforce housing investment trust fund to support the development of workforce housing. The Senate debated [SB 742](#), sponsored by Sen. Lauren Arthur, which would create three new tax credit programs to support child care programs. The bill was laid over after Sen. Bill Eigel spent roughly an hour questioning Sen. Arthur and critiquing the proposal. Next week, the House Committee on Rules – Regulatory Oversight will hear [HB 1480](#), which would create a new tax credit program to incentive large, advanced manufacturing projects, and [HB 2240](#) (noted above). This is not a hearing where public testimony is accepted.

This week hundreds of candidates lined up at the Secretary of State's office to file for public office. In addition to 163 state House seats and 17 state Senate seats, the governor's race, four other statewide officials, and Congressional district 3 will be the most closely watched race in 2024. Candidates have until March 26th to file.

This week also marks the end of bill filing for the 2024 legislative session. Legislators have until the end of day on Friday, March 1st to file any legislation. In 2023, a total of 2,307 bills and resolutions were filed - 61 of those became law. As of this writing (on Thursday evening) we are already at 2,573.



Budget Update

There was a flurry of budget activity this week. On Tuesday morning, the House Subcommittee on Appropriations-General Administration convened to lambast Treasurer Vivek Malek for the use of taxpayer funded advertising decals on so-called “grey machines.” If committee members sought an apology and a commitment to remove the decals they were doomed to disappointment. It was an over two-hour contentious hearing which ended with Chairman Scott Cupps demanding the decals be removed or face consequences from the committee.

Additionally, the full House Budget Committee convened Wednesday morning to consider passage of HB 2016, which is the Emergency Supplemental bill for \$2.2 million to allow for

funding the Governor's Executive Order to send Missouri National Guard members and Missouri State Highway Patrol troopers to Texas. Committee members expressed concerns there was already sufficient funding within the Governor's discretionary fund and this would cause command confusion as federal troops have already been deployed. After a brief discussion, the committee passed the bill by a 25-4 vote.

The Senate Appropriations Committee also continues to hear from the various departments methodically and expeditiously regarding the FY2025 governor recommendations and department requests. The timeline for the House to finish crafting their version of the budget was expected to be completed before the legislative Spring Break in March, but with the delay of the budget bills being filed, this deadline will not be met. It is anticipated the two FY2024 Supplemental bills will be completed before the legislative Spring Break.

Health Benefit Plan Cost-Sharing

The House Health and Mental Health Policy Committee convened Monday afternoon to discuss [HB 1628](#), sponsored by Representative Dale Wright (R-Farmington). The bill provides that when calculating an enrolled patient's overall contribution to an out-of-pocket max or any cost-sharing requirement under a health benefit plan, a health carrier or pharmacy benefits manager must include any amounts paid by the patient enrolled or paid on behalf of the enrolled patient. The provisions only apply to high-end drugs and not generic medications unless no higher-end medication is available for the purpose intended. Private citizens, Missouri Hemophilia Association, Medical Society of the State of Missouri, American Cancer Society, American Cancer Action Network, National Multiple Sclerosis Society and Missouri Pharmacy Association provided supporting testimony stating 19 states have passed similar legislation. PCMA, St. Louis Area Business Health Coalition, Mid-America Carpenters Regional Council, Missouri Insurance Coalition, Americas Health Insurance Plans, and Blue Cross Blue Shield of Kansas City provided opposing testimony.

Time-Limited Settlement Demands

The House Committee on Insurance Policy convened Wednesday morning to consider passage of [HB 2277](#), sponsored by Representative Bill Hardwick (R-Dixon). The bill replaces the term "time-limited demand" with "settlement demand". The bill specifies that, in any lawsuit alleging damages outside of the norm of the contracted insurer, any prior settlement demand to settle a claim will not be considered to have been a reasonable opportunity to settle the claim unless the demand was made in writing, was sent certified mail, or remained open for acceptance by the liability insurer for at least 90 days from the date the demand was received by the insurer. The chair stated that the different sides interested in this bill are continuing to discuss ways to find language that works for everyone, but that further changes will occur through floor amendment. After a brief discussion, the committee passed the bill by a 10-4 vote.

Insurance Coverage

The House Special Committee on Public Policy convened Wednesday afternoon to discuss [HB 2267](#), sponsored by Representative Tara Peters (R-Rolla). The bill creates provisions relating to insurance coverage of pharmacy services. Citizens Memorial Hospital, University of Missouri Healthcare, HCC Network, Ozarks Community Health Center, Four Rivers Health Center, Bothwell Regional Health Center, Missouri Primary care Association, Missouri Pharmacy Association, Golden Valley Memorial Health Care Clinic, Phelps Health County Hospital, Western Missouri Medical Center, Fitzgibbon Hospital, Missouri Hospital Association, Barnes Jewish Hospital, St Luke's Health System, Hannibal

Regional Health Care System, CoxHealth, Mercy Hospitals, University Health System Kansas City and Missouri Rural Healthcare Association testified in support of the bill, stating the 340B program provides access to care and highlighted the bill removes barriers to patient care. The Missouri Insurance Coalition, Mid America Carpenters Regional Council, America's Health Insurance Plans, and Blue Cross Blue Shield Kansas City opposed the bill and informed committee members that the 340B program is a federal program that has existed since 1992 and stated the provisions should be applied to smaller hospitals and FQHC facilities, instead of providing costs savings and benefits to big hospitals.

Tax Credit for Educational Expenses

The House Special Committee on Education Reform convened Monday afternoon to discuss [HB 1911](#), sponsored by Representative Doug Richey (R-Excelsior Springs). The bill proposes to establish the "Missouri Parental Choice Tax Credit" and authorize a tax credit equal to the minimum of the state adequacy target for education funding in the state for costs incurred by parents or guardians for expenses relating to a child's education. Additionally, the bill proposes to allow parents or guardians to claim the expenses associated with tuition, books, fees, or academic testing at public, private, homeschool programs, virtual education programs, or summer education programs, including computer software, tutoring services, and educational therapies offered in a traditional school setting. During the bill's presentation, committee members questioned why traditional school supplies like pens, paper, and notebooks were excluded from the eligible costs for reimbursement and whether programs in the state would be required to be accredited or under the supervision of any state regulating agencies. No supporting testimony was presented. The Cooperating School Districts of Greater Kansas City, Retired Teachers Association, Missouri State Teachers Association, Missouri NEA, and Missouri Equity in Education Action provided opposing testimony stating the bill would take funds away from public schools and harm students.

Child Tax Credit

The House Ways and Means Committee convened Tuesday morning to consider passage of [HB 1973](#), sponsored by Representative Alex Riley (R-Springfield). Currently, the Champion for Children Tax Credit is set to sunset at the end of 2025 and is capped at \$1.5 million. The tax credit is designed to encourage private donations to agencies that serve kids that have experienced trauma, and the program provides a 50% credit for contributions to certain qualified entities in the state of Missouri. The bill extends the sunset from 2025 through December 31st of 2029, raises the cap from \$1.5 million to \$2.5 million, and it increases the credit amount from 50 to 70% of a taxpayer's eligible contribution. During committee discussion, a committee substitute was adopted to provide clarifying language and also included HB 2089, sponsored by Representative Michael O'Donnell (R-St. Louis), which seeks parity for the benevolent tax credits by increasing the total amount contributed from 50% to 70%. Once modified, the committee passed the bill by an 8-0 vote.

Broadband Internet Expansion Grant

The Senate dedicated floor time Monday evening to debate [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. During debate, the sponsor offered a floor substitute to include SB

1411, which extends the expiration date of the Uniform Small Wireless Facility Deployment Act; SB 947, modifies provisions relating to video services; SB 896, creates a state and local sales tax exemption for utilities, equipment, and materials used to generate or transmit electricity. During debate, Senator Tracy McCreery (D-St. Louis) expressed concern with the inclusion of SB 947, relating to video services and after considerable debate, the sponsor offered an amendment to remove SB 947 provisions, the bill was then returned back to the calendar to be debated further another day.

Non-Opioid Alternatives Pamphlet

The Senate dedicated floor time Wednesday afternoon to debate [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. During debate, the sponsor offered a substitute to include SB 943, which requires practitioners, before an initial opioid prescription and the third in a course of treatment, to consult with the patient as to the risks of taking opioids and alternatives to opioids. Senator Mike Bernskoetter (R-Jefferson City) then attempted to amend the bill to include SB 844, which 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. After some debate, a point of order was called, and the bill was laid over.

MO Works Definitions

The Senate Economic Development and Tax Policy Committee convened Monday afternoon to discuss [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. During bill presentation, the sponsor stated some companies have fallen out of compliance with the program due to wages rising so rapidly, the intent of the legislation is to take into account rising wages and allow companies to remain compliant. The Plumbers and Pipe Fitters Association, along with several private business owners provided supporting testimony and highlighted their companies have been kicked out of the program due to the MO County wage agreement, which has led to increased wages. No opposing testimony was presented.

Blighted Area Definition

The Senate Economic Development and Tax Policy Committee convened Monday afternoon to discuss [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). During bill presentation, the sponsor stated the current definition is broad and her intent with the legislation is to narrow the definition to ensure that the tax incentives go towards areas that are deemed blighted areas. A private attorney from Kansas City provided supporting testimony. The MO Economic Development Financing Association opposed the bill and informed committee members that the bill as written eliminates a lot of necessary requirements when determining blighted areas and also eliminates developer reporting requirements.

PSC Commissioners

The Senate Commerce, Energy and the Environment Committee convened Tuesday morning to discuss [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. The Missouri Farm Bureau, Missouri Soybean Association, the Missouri Corn Growers Association, a Callaway County Commissioner, and numerous farmers testified in support of the bill, stating they have no representation on the PSC and highlighted the need for geographic representation on the commission is warranted with all the transmission projects in the queue for Missouri. Supporters also stated since most transmission lines run through farms in rural Missouri, the additional commissioners should have a background in agriculture. The Missouri Energy Development Association, the Consumers Council of Missouri, Spire Inc., the Sierra Club, and the Missouri Coalition for the Environment opposed the bill and stated the change was not needed and the increase in the number of commissioners would do more harm than good.

Phasing Down Personal Property Taxes

The House Special Committee on Property Tax Reform convened Wednesday afternoon to discuss [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. American Action Fund supported the bill. The MO Ambulance Association opposed the bill and informed committee members that ambulance districts predominately get most of their tax revenue from real property taxes and if you remove personal property, then you are shifting that burden solely to property owners.

The committee then turned its attention towards [HJR 88](#), also sponsored by Representative Matthiesen. Upon voter approval, the proposed Constitutional amendment would eliminate taxes on tangible personal property. American Action Fund supported the bill. No opposing testimony was presented.

Eminent Domain

The House Judiciary Committee met Wednesday afternoon to discuss [HB 1750](#), sponsored by Representative Mike Haffner (R-Pleasant Hill). The bill prohibits the use of eminent domain by electrical corporations for the construction or erection of any plant, tower, panel, or facility used for wind and solar farms that are owned by public utilities. The MO Farm Bureau, MO Cattlemen's Association, MO Corn Growers Association, and several private citizens supported the bill and expressed concern about property rights and the use of eminent domain and informed committee members that the state is seeing a huge influx of commercial wind and solar projects. The Sierra Club opposed the bill and expressed concern over the lack of concern with climate change. Ameren provided informational testimony and informed committee members that Ameren does not have any plans to use eminent domain for any of their wind or solar projects but would like an exemption for their grid connector lines. Evergy also provided informational testimony and stated they try not to utilize eminent domain, however sometimes it is necessary.

Key Upcoming Dates

March 1 – Last day of bill filing
March 18-22 - Legislative Spring Break
April 1 – Easter Break – No Session
April 2 – General Municipal Elections
May 10 – Last Day to Constitutionally pass the FY 2025 Budget
May 17 – Last Day of the 2024 Legislative session
August 6 – Missouri Primary Elections
September 11 – Veto Session
November 5 – Missouri General Elections



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