

MEMORANDUM

TO: St. Joseph Area Legislative Partnership

FROM: Mark Rhoads and Trent Watson

RE: Legislative Report

DATE: January 7, 2011

GENERAL ASSEMBLY KICKS OFF SESSION: On Wednesday, the Missouri General Assembly was called into order at noon commencing with swearing-in ceremonies for new members of the House and Senate. In addition, the House and Senate formally elected Rep. Steve Tilley (R-Perry) as Speaker of the House and Senator Rob Mayer (R-Dexter) as President Pro Tem of the Senate. Both leaders addressed their respective chambers, outlining their vision and goals for the 2011 legislative session. There was very little substantive activity this week as legislators organize their offices and prepare for the legislative session.

In keeping with tradition, Wednesday evening's activities featured the Grand March which encompassed all newly sworn-in members and their families ceremoniously descending the stairway from the second floor grand stairway to the first floor rotunda as announced as newly elected members of the General Assembly, followed by a dance and ball.

THIS WEEK'S REPORT: Speaker Steve Tilley released the full committee assignments this week and you can access them at the following link:

<http://www.house.mo.gov/CommAssgnmntLstPrn.aspx>

We anticipate that President Pro Tem Rob Mayer will release committee assignments early next week.

The pace of bill filings has picked up this week and we anticipate that there will be substantial filings of legislation next week.

Also, we have attached the new roster of the membership of the House and Senate to this report.

In The News...

- Retiring U.S. Senator Kit Bond has announced that he will join the law firm of St. Louis-based Thompson Coburn, ranked as the largest local firm in the area. Senator Bond will split his time between the offices in St. Louis and Washington, DC, but announcements made it clear that he will adhere to Senate rules prohibiting an outgoing member from lobbying his fellow members of Congress for two years.

- The AP reports that halfway through the state’s fiscal year state revenues are up. Here’s a quote: “The state Office of Administration reported Tuesday that from July through December, individual income tax collections rose 3.3 percent and corporate income and franchise rose 11.1 percent. State sales tax collections edged higher, by 0.22 percent”.
- State Representative Leonard “Jonas” Hughes (D-Kansas City) was notably absent this week. A new state ethics law which prohibits the swearing in to office of any person who has outstanding ethics fines prevented Hughes from taking the oath of office. He owes \$19,090 in fines and fees relating to campaign disclosure violations, including use of campaign funds for personal purposes.
- Senator Jason Crowell (R-Cape Girardeau) this week filed Senate Concurrent Resolution 4 which requires the Board of Public Buildings to reassign rooms in the State Capitol that are currently occupied by the Office of Administration. The SCR is the latest volley by Crowell in his never-ending quest to force OA to provide each member of the General Assembly a key to the capitol dome. Sen. Crowell successfully amended numerous bills last year statutorily requiring the provision of keys, but OA steadfastly refused and changed the locks to the entryways to the dome over the interim. If nothing else, this will be very entertaining to watch.

SENATE PRO TEM ROB MAYER’S OPENING SPEECH: In his opening speech, Senate Pro Tem Rob Mayer (R-Dexter) detailed three solutions to Missouri’s budget problems. “In the Senate, we will protect taxpayers by continuing to make tough decisions to fund our priorities without a tax increase,” Mayer said. “And we will pursue three solutions to our budget problems — putting Missourians back to work, continuing our commitment to education, and rebooting government through control, alterations and deletions.”

Highlights of Mayer’s speech included the following:

- Cap the maximum amount of franchise tax liability at \$2 Million allowing employers to invest in hiring new employees instead of growing government through higher taxes.
- A bill that would bring state law in line with federal human rights laws, allowing employers to invest more in jobs rather than spending money on lawsuit abuses and their increased attorneys’ fees.
- Restore protections for individual employees from personal lawsuits when companies should be held responsible.
- Senate Bill 1 would secure certainty in take-home pay of every working family in Missouri by making sure employees only join unions and pay dues if they want to – rather than as a condition of their job.
- A call to make funding the K-12 foundation formula a top budgetary priority.
- Make college and other post-high school educational opportunities more affordable and available to students.

- “Last year, we began the Rebooting Government initiative and had several early successes saving taxpayers millions of dollars - but we can and will do more.”

SPEAKER TILLEY OUTLINES PRIORITIES: Speaker Tilley outlined his agenda for the coming session. He first discussed the rules of the House and announced two major changes: 1) partisan committees- which allow the minority leader to appoint members to committee; 2) allow the Budget Committee to have subpoena power. Speaker Tilley also introduced the “Show-Me Solutions Initiative”. This initiative has five major components: 1) A pledge: Hear the voters, balance the budget, hold the line on taxes and force government to operate within its means; 2) Job Creation- create an entrepreneurial environment which includes a moratorium on regulation, fees, taxes and frivolous lawsuits and provides protection to Missouri family farmers; 3) Government Accountability – ensure smooth communication with English as the State language, reject federal policies that are outside the federal government’s authority, have a zero tolerance policy on human trafficking in Missouri, and when police check for citizenship they are to cross-reference the person with the sexual predators database; 4) Education – focus on what is best for kids not administrators and teachers unions, ensure there is teacher tenure reform and ensure social promotion policies; 5) Free-Market Concepts for Quality Health Care – ensure drug testing for welfare recipients. Speaker Tilley also offered this challenge to the House members: pass 75% of House priorities in the first 50 days of session.

Following Speaker Tilley’s speech Representative Shane Schoeller was then elected Speaker Pro-Tem by a unanimous vote. Speaker Pro-Tem Schoeller then outlined his top priority for session which was to ask Governor Nixon to work with the House to toughen laws that protect life both born and unborn. The House then voted to adjourn until Thursday.

STATE-OF-THE-STATE AND BUDGET ADDRESS: January 19, 7:00 p.m. has been announced for Governor Jay Nixon’s annual State-of-the-State and Budget Address. The speech will be streamed live on the State’s web site, www.mo.gov, and carried live by many local television stations.

“REBOOTING GOVERNMENT”: The Missouri Senate will continue its effort to “Reboot Government” with its recent announcement of seven work groups designed to examine state departments and programs in order to reduce costs and maximize state resources. Senate President Pro Tem Rob Mayer (R-Dexter) recently released the working groups’ schedule and member assignments. The groups are charged with collecting citizens’ submitted ideas through the Rebooting Government website (www.senate.mo.gov/RebootMO) and examining how to make state government more efficient through control, alterations and deletions. The final recommendations will be presented by Sen. Mayer (R-Stoddard) Wednesday, January 19, 2011.

The following work groups include:

Courts and Public Safety

Wednesday, January 12, 2011 4:00 PM - Senate Committee Room 1

Sen. Jack Goodman, R-Mt. Vernon; Sen. Bob Dixon, R- Springfield; Sen. Kurt Schaefer, R-Columbia; and Sen. Jolie Justus, D-Kansas City

Education

Tuesday, January 11, 2011 11:00 AM - Senate Committee Room 1

Sen. David Pearce, R-Warrensburg; Sen. John Lamping, R-St. Louis; Sen. Jane Cunningham, R-Chesterfield; and Sen. Victor Callahan, D-Independence

General Government and Office of Administration

Tuesday, January 11, 2011 2:00 PM - Senate Committee Room 1

Sen. Jim Lebmke, R-St. Louis; Sen. Luann Ridgeway, R-Smithville; Sen. Brian Nieves, R-Washington; Sen. Will Kraus, R-Lee's Summit; and Sen. Timothy Green, D-Spanish Lake

Retirement and Employee Structure

Wednesday, January 12, 2011 8:30 AM - Senate Committee Room 1

Sen. Jason Crowell, R-Cape Girardeau; Sen. Kevin Engler, R-Farmington; Sen. Mike Kehoe, R-Jefferson City; and Sen. Joseph Keaveny, D-St. Louis

Social Programs

Wednesday, January 12, 2011 11:00 AM - Senate Committee Room 1

Sen. Scott T. Rupp, R-Wentzville; Sen. Tom Dempsey, R-St. Charles; Sen. Jay Wasson, R-Nixa; Sen. Rob Schaaf, R-St. Joseph; and Sen. Maria Chappelle-Nadal, D-St. Louis

Tax Structure and Economic Development

Wednesday, January 12, 2011 2:00 PM - Senate Committee Room 1

Sen. Brad Lager, R-Savannah; Sen. Chuck Purgason, R-Caulfield; Sen. Eric Schmitt, R-Glendale; Sen. Ron Richard, R-Joplin; and Sen. Robin Wright-Jones, D-St. Louis

Agriculture, Outdoors, Department of Natural Resources and Transportation

Thursday, January 13, 2011 8:30 AM - Senate Committee Room 1

Sen. Bill Stouffer, R-Napton; Sen. Dan Brown, R-Rolla; Sen. Kehoe; Sen. Brian Munzlinger, R-Williamstown; Sen. Mike Parson, R-Bolivar; and Sen. Ryan McKenna, D-Crystal City

At least one member from each work group will later present his or her panels' recommendations before members of the Senate.

Citizens may submit their ideas on how to "reboot" state government by visiting the Missouri Senate's Rebooting Government website (www.senate.mo.gov/RebootMO).

The site will be available throughout the 2011 legislative session.

FIX THE SIX: This week a number of members of Missouri's business community held a press conference calling for legislation on six issues they say will ease burdens on businesses, make the state more competitive, create jobs and speed Missouri's economic recovery.

The issues are:

- **Employment law:** Proposals would touch several areas of employment law, including lowering liability for businesses in lawsuits, capping or lowering awards and damages and restricting lawsuits brought under whistleblower laws.
- **Workers Comp:** Business groups want laws changed so that on-the-job injuries and illnesses that courts recently have ruled can be heard in regular court are placed under the workers compensation system.
- **Franchise taxes:** Under the groups' proposal, franchise taxes would be capped, so that businesses could bring additional investment into the state without facing higher taxes.
- **Minimum wage:** The changes sought would remove the minimum wage "escalator" voters approved in 2008 that increases the wage with inflation.
- **Tort reform:** Current law allows a business held to be at least 51 percent liable for damages to be required to pay an entire claim and settlement. Businesses would rather they be liable only for the percentage of damages they were actually responsible for.
- **Unemployment insurance:** To pay unemployment claims in the economic downturn, states borrow money from the federal government, which must be paid back by businesses. The high unemployment of the last few years has led to heavy borrowing, putting businesses on the hook for big payments in the years to come. To ease the burden, businesses want lawmakers to lengthen the terms of the bonds used to repay the loans, allowing more time to pay them back.

BILLS OF INTEREST: Pre-Filed bills of Interest.

Holding down the "Ctrl" button and clicking the bill number will take you to the bills website.

<u>HB 26</u>	<u>Jones-63</u>	Changes voter reauthorization on city earnings taxes from five years to 20 years.
<u>HB 43</u>	<u>Conway-27</u>	Adds the counties of Andrew and Buchanan to the list of counties authorized to enact nuisance abatement ordinances regarding the condition of real property.
<u>HB 45</u>	<u>Hoskins-121</u>	Changes the laws regarding the Big Government Get Off My Back Act and provides an income tax deduction for certain small businesses that create new full-time jobs.
<u>HB 52</u>	<u>Ellinger</u>	Requires the Department of Revenue to establish the necessary rules to implement the compliance provisions of the multistate Streamlined Sales and Use Tax Agreement.
<u>HB 53</u>	<u>Meadows</u>	Prohibits any entity that is authorized to issue traffic tickets to

use an automated speed enforcement system to enforce speeding violations except in a school, construction, or work zone.

<u>HB 59</u>	<u>Brown-50</u>	Requires the State Board of Education to establish a coordinated health program board to develop a program on the prevention of student obesity, cardiovascular disease, and type II diabetes.
<u>HB 60</u>	<u>Nolte</u>	Limits the increase in assessed valuation of residential property by the percentage of increase in the federal Social Security benefits for the elderly and disabled who own and live in their principal residence.
<u>HB 70</u>	<u>Phillips</u>	Changes the compensation and mileage allowance for certain members of a county highway commission.
<u>HB 76</u>	<u>Nolte</u>	Limits the tax liability of a corporation for corporate franchise taxes to no more than \$2 million annually.
<u>HB 77</u>	<u>Nolte</u>	Reduces over a five-year period the annual corporate franchise tax rate from one-fourth of 1% until no tax is imposed beginning January 1, 2016.
<u>HB 78</u>	<u>Nolte</u>	Authorizes an income tax exemption for the business income of any individual or corporation to be phased-in over five years until the exemption is 50% of the taxpayer's Missouri taxable business income.
<u>HB 88</u>	<u>Gatschenberger</u>	Allows public administrators to file petitions to transfer cases to another county and requires the court to transfer the case if certain requirements are met and the receiving county consents to the transfer.
<u>HB 90</u>	<u>Scharnhorst</u>	Prohibits a political subdivision from adopting an ordinance, rule, or code that would require mandatory installation of a sprinkler system in new residential construction.
<u>HB 102</u>	<u>Nance</u>	Renews and extends the Missouri Homestead Preservation Act.
<u>HB 104</u>	<u>Nance</u>	Requires 50% of the revenue generated from fines and court costs collected as a result of a red light traffic violation on a state highway to be distributed to the Department of Transportation.
<u>HB 105</u>	<u>Nance</u>	Amends laws relating to the collection of certain excess revenues from traffic violations.

<u>HB 120</u>	<u>Schoeller</u>	Changes the laws regarding infrastructure replacement surcharges for water corporations.
<u>HB 127</u>	<u>Barnes</u>	Specifies that any partial term served by a member of the Sheriffs' Retirement System who is elected sheriff at a special election will be counted as serving an entire term when calculating benefits.
<u>HB 128</u>	<u>Barnes</u>	Requires the respondent, in a suit filed by a city, county, or state in which the city, county or state prevails, to pay to the city, county, or state the deposit amount which shall then be paid to the cl.
<u>SB 12</u>	<u>Pearce</u>	Modifies the elementary and secondary education foundation formula.
<u>SB 16</u>	<u>Lembke</u>	Prohibits political subdivisions from using automated photo red light enforcement systems to enforce red light violations.
<u>SB 25</u>	<u>Schaaf</u>	Authorizes Andrew and Buchanan Counties to enact nuisance abatement ordinances.
<u>SB 49</u>	<u>Wright-Jones</u>	Creates special rules for the formation of transportation development districts to operate mass transportation systems.
<u>SB 52</u>	<u>Cunningham</u>	Requires county assessors to consider market factors in determining value of real property for tax purposes.
<u>SB 57</u>	<u>Callahan</u>	Requires courts to transfer certain cases upon the request of the public administrator.
<u>SB 73</u>	<u>Kraus</u>	Requires political subdivisions using automated traffic enforcement systems to distribute fines to local school districts.
<u>SB 79</u>	<u>Justus</u>	Establishes the Missouri Science and Innovation Reinvestment Act.
<u>SB 82</u>	<u>Pearce</u>	Removes an expiration date of August 28, 2011 on state universities being able to convey land without authorization from the General Assembly and requires that such conveyances be done at fair market value.
<u>SJR 1</u>	<u>Ridgeway</u>	Replaces all taxes on income with a sales and use tax.

If you would like the full text of a bill or a bill summary, they will be posted at <http://www.moga.state.mo.us/> as they become available. This report was distributed by the St. Joseph Area Chamber of Commerce with support from the City of St. Joseph, Buchanan County, Missouri Western State University, St. Joseph Convention and Visitors Bureau, and Heartland Health.

##END##