WEEKLY LEGISLATIVE REPORT

This is your March 15th legislative report, which includes information since the 2020 Legislative Session began. Get to know your state representative and senator and know their positions on key issues to you. You and your firm can help by giving to our state PAC (see website for more information). Items included in this report:

- Weekly Overview
- In the News
- Register for Legislative Days on April 15 & May 6
- Budget Update
- Senate Floor Action (Military Occupational Licenses)
- House Floor Action (Department of Natural Resources Permitting; Missouri Made Fuels; Occupational Fees)
- Committee Action Last Week (Department of Conservation Penalties; Peer Review; Land Surveyors; Transportation Funding; Dissolution of the Highways and Transportation Commission)
- House & Senate Calendars (HB1442; HB1891; HB1957; HB2164; HB2300; HB2555; SB539; SB559; SB592; SB618; SB647; SJR40)
- Major Dates of Interest

Please go to the www.acecmo.org website to view the bills of interest that we are tracking this year. Please let me know if you have any questions on legislative matters.

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WEEKLY OVERVIEW

Last week the Capitol was dominated with talk of the coronavirus as the state saw its first person test positive for the illness. The news had a rippling effect throughout the building and caused House and Senate Leadership to issue a statement asking school groups, advocates, and others not having a direct involvement with the passage of legislation to stay away. In the statement, they also closed some of the more popular public places in the building: namely the House Lounge, which is known for the Thomas Hart Benton Murals.

The House also announced that it was moving up the timeline for sending its version of the state's budget to the Senate. As reported, the House had planned on working the budget bills through committee this week and voting them on the House floor the week they returned from spring break. Those plans were changed and the House will send the bills to the Senate before it adjourns for break. The House plans only a technical session on Monday and Tuesday of this week, and then will convene on Wednesday, Thursday and Friday to complete the budget.

Around 7 pm last Wednesday, the Senate abruptly laid over SB 648 relating to the collection of online sales taxes, announced that each party would meet in caucus, and then adjourned for the day. Later in the evening, Senate Majority Floor Leader Caleb Rowden announced on twitter that due to the coronavirus the Senate would be meeting on Thursday as usual, but then would adjourn until Monday 30th. This adds a week to the planned legislative spring break.
IN THE NEWS

- The Joint Committee on Disaster Preparedness asked Dr. Randall Williams, the State’s Health Director, to testify before the committee to talk about the one presumptive positive result for coronavirus in the state. "That patient had, as (St. Louis County Executive) Sam Page has said, had done the right things," Williams testifies. "She had come from a country which is one of our flagged countries, she had gotten symptomatic. Dr. Williams also testified that about 35 to 40 tests have been done in Missouri for coronavirus. All of the others in Missouri have tested negative. Former State Senator and physician Rob Schaaf, also testified before the committee last Tuesday. He said that Missouri lawmakers should be ready to dip into the state’s Rainy Day Fund. Schaaf also predicts coronavirus will impact Missouri prisons and hospitals.

REGISTER FOR LEGISLATIVE DAYS ON APRIL 15 & MAY 6

Registrations are open for MFTI's remaining 2020 Legislative Days. Your attendance is encouraged as we discuss the importance of increased transportation investment with our elected officials and their staffs. Orientation and a legislative briefing will be held at the AGC of Missouri office at 10 a.m. Participants will be provided materials to share with their legislators. Following orientation, we will have visits scheduled with legislative leaders in the Capitol. Participants are also encouraged to visit their local state senators and representatives to discuss the need for transportation investment.

There is no cost to attend, however registration is required. To register, click on the links below. Send your name and email address and that you are representing ACEC/MO.

- April 15th - CLICK HERE to register
- May 6th - CLICK HERE to register

BUDGET UPDATE

The full House Committee on Budget met to review the appropriation bills’ substitutes offered by Chairman Cody Smith (R-Carthage). Committee members were only allowed to ask technical questions during this review process. The full House will debate the bills this Wednesday and Third Read and Pass them on Thursday. The Senate Committee on Appropriations will begin crafting their version of the budget upon the return from the legislative spring break. The following are items are universal for all budget bills:

- Governor Parson’s budget recommendations are based on 2.4% revenue growth for FY2020, and 1.9% for FY2021. Smith’s HCS agrees with 2.4% for FY20 but assumes 1.6% for FY21, a difference of $24.9 million General Revenue (GR).
- In addition, Parson put $67.7 million federal to GR transfer funds in the Department of Mental Health (DMH) in anticipation of an extension of the Excellence in Mental Health demonstration funding for CCBHO (Certified Community Behavioral Health Organizations). Smith does not make that assumption so backed out $43 million and put that money in the Surplus Revenue Fund (SRF), described below. To be clear, the DMH budget for CCBHO is fully funded with GR so if the federal money is reauthorized, the new federal money would be used as GR elsewhere.
- With those two items (totaling $72.5 million) and various other changes, Smith says his FY 21 operating budget recommendations are $110 million below Parson’s recommendations. Also, Smith’s FY20 supplemental budget bill - HB2014, is $30 million below Parson’s request.
- Instead of taking the $72.5 million completely out of the budget, Smith has resurrected the Surplus Revenue Fund (SRF). FY21 revenues above $1.6% in growth will be put in the SRF. Various budget items, totaling $72.5 million, will be funded out of SRF. If growth does not exceed 1.6%, the items will not be funded; if growth meets Parson’s prediction of 1.9%, the items will be funded. If growth is
somewhere in between, Parson will decide which budget items to fund. One of the past difficulties with using SRF is the uncertainty of the revenue landscape until late in the fiscal year so even if money is available it is difficult to spend the funds in a short timeframe.

- Parson’s budget recommends using $100 million of the FY 21 ending balance for the Cash Operating Expense fund (COEF) which could be used if there is a budget deficit, state emergency, etc. The current Budget Reserve Fund (rainy day fund) is impractical and rarely used because it must be paid back in full in 3 years. The COEF would give the Governor an additional tool to deal with crisis. Smith agrees with Parson on establishing the COEF and adds $173.6 million, totaling $273.6 million. The $173.6 million comes from various funds in the Department of Social Services where excess federal earnings were “found” in TANF (Temporary Assistance for Needy Families), Title XIX, CHIP (Medicaid Children’s Health Insurance Program) enhanced match fund, and the catch-all DSS Federal Fund. Bill language needs to pass to create the COEF.

The items below are of particular interest:

- An additional $1 million GR to Missouri Western State University;
- A language change to the Transportation Cost-Share program to specify the $50 million from FY20 is being reappropriated only (there is no new money for the program);
- Chairman Smith did not recommend the additional $5 million GR for expansion of the rural broadband grant program;
- An additional $100,000 GR for SEMA Task Force 1;
- $15 million GR towards county jail arrearages (if the chairman’s plan to utilize the Surplus Revenue Fund should eventuate there will be an additional $16 million to completely clear all arrearage and ensure no future arrearages occur);
- Language barring any expansion of Medicaid (it is unclear how this will impact a potential ballot initiative);
- $11,686,152 DSS Federal Funds for Nursing Facility rebase rates;
- $1.2 million in additional authority to the Basic Civil Legal Services Fund.

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**SENATE FLOOR ACTION**

*MILITARY OCCUPATIONAL LICENSES:* The Senate Truly Agreed to and Finally Passed [HB 1511](/bill), sponsored by Representative Steve Lynch (R-Waynesville). The bill allows any nonresident military spouse to apply for an occupational license in Missouri, as long as he or she holds a valid current license issued by another state or territory of the United States.

After no debate, the Senate passed the bill by a vote of 29-0. The bill will now be sent to the Governor for final consideration.

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**HOUSE FLOOR ACTION**

*DEPARTMENT OF NATURAL RESOURCES PERMITTING:* The House took up, Perfected, and Third Read and Passed with 153 ayes and 0 noes on [HCS HB 1804](/bill), sponsored by Rep. Randy Pietzman (R-Troy). This bill requires the Department of Natural Resources to provide assistance to small businesses applying for permits by designating one or more people who are trained in the process to assist applicants. The staff must be trained in the permit application process, but not involved in the review or approval of permits. No later than January 1, 2021, the department must post on its website exemplars of completed and approved permit applications. If the department fails to provide the required assistance, the department must reduce the fees associated with each permit it issues to the applicant by an amount equal to the costs the applicant incurred to seek assistance from outside sources. Any permit issued by the department that does not provide for a public comment period and the is completed by the applicant must be approved or denied in writing within 30 days. If not, it will be deemed approved. A written denial must include the citation of law under which the permit was denied.
During Perfection an amendment was adopted which narrowed the bill to reduce the fiscal note to $0; requires examples of most used permits to be placed on the department’s portal; and, requires the department to track the length of time of the permitting process from beginning to end.

**MISSOURI MADE FUELS:** The House took up and Perfected [HCS HB 1858](#), sponsored by Rep. Mike Haffner (R-Pleasant Hill). This bill establishes the "Missouri-Made Fuels Act", which specifies that all diesel fuel sold or offered for sale in Missouri for use in internal combustion engines must contain at least the following stated percentage of biodiesel fuel oil by volume on and after the following dates: (1) April 1, 2022, until March 31, 2023, 5%; (2) April 1, 2023, until March 31, 2025, 10%; and (3) Beginning April 1, 2025, 20%. The minimum content levels shall be in effect during the months of April, May, June, July, August, September, and October, except in certain circumstances. The minimum content levels go into effect when the Director of the Department of Agriculture submits notice in the Missouri Register that certain conditions have been met and the state is prepared to move to the next scheduled minimum content level. By January 15, 2023, and biennially thereafter, the Director of the Division of Energy shall determine the preceding 12-month rolling average of wholesale diesel price at various pipeline and refinery terminals in Missouri, and the preceding 12-month rolling average of biodiesel price determined after credits and incentives are subtracted at biodiesel plants in Missouri. These prices shall be submitted to the Governor who may by executive order adjust the biodiesel mandate if a price disparity is reported that will cause economic hardship to the state.

During Perfection the following amendments were offered:

- **HA1(.02H)Haden** - Exempts nuclear energy from the legislation – Adopted;
- **HA2(.05H)Deaton** - The producers must be enrolled in the e-Verify program - FAILED 38-98;
- **HA3(.03H)Christofanelli** - Places a five-year sunset on the legislation - FAILED 49-87;
- **HA4(.08H)Dogan** - Producers, distributors, and wholesalers must make good faith efforts to employ racial minorities commensurate with the minority population in Missouri – FAILED;
- **HSA1HA5(.15H)Wiemann** - Places a 10 year sunset on the legislation – ADOPTED

**OCCUPATIONAL FEES:** The House took up and Perfected [HCS HB 1442](#), sponsored by Rep. Steve Helms (R-Springfield). PROHIBITED USES OF OCCUPATIONAL FEES This bill prohibits any licensure board, commission, or committee within the Division of Professional Registration from using any occupational fees for the purpose of offering continuing education classes. The bill allows a board, commission, or committee to utilize occupational licensure fees for the purpose of attending or presenting in a conference for the purpose of communicating information to licensees with respect to changes in policy or law (Section 324.035, RSMo). PSYCHOLOGIST LICENSURE APPLICATIONS The bill removes a provision that would prohibit the Committee on Psychologists from charging an application fee unless the application is approved (Section 337.020). Current law outlines methods for a psychologist licensed in another jurisdiction to receive a license in Missouri. This bill removes the ability for a psychologist who is currently licensed in another jurisdiction that is a signatory to the Association of State and Provincial Psychology Board's reciprocity agreement to receive a license in Missouri. (Section 337.029). PSYCHOLOGIST CONTINUING EDUCATION REQUIREMENTS The bill requires that a psychologist take at least three of their required 40 hours of continuing education in professional ethics training (Section 337.050).

**COMMITTEE ACTION LAST WEEK**

**DEPARTMENT OF CONSERVATION PENALTIES:** The House Committee on Conservation and Natural Resources met in executive session to vote “do pass” with 6 ayes 1 and noes on [HB 2528](#), sponsored by Rep. Randy Pietzman (R-Troy). This bill requires the Department of Conservation, for the first two years after the effective date of any new administrative penalty imposed by rule, to provide at least one warning before imposing the penalty on an individual or entity.

A substitute was adopted which clearly defines regulation changes which can carry fines.

**PEER REVIEW:** [SB 913](#), sponsored by Sen. Ed Emery, was heard in The Senate Government Reform Committee voted SB 913 “do pass, consent on March 10. This legislation removes the sunset on peer review for architects, engineers, land surveyors and landscape architects. This bill was approved by the Senate Rules
Committee and eligible for the Senate calendar. **HB 2300**, the House companion bill, was approved by the House Consent Committee, and eligible for the House calendar.

**LAND SURVEYS:** The House Committee on Agriculture Policy met in executive session to vote “do pass” 20-0 on **HB 1603**, sponsored by Rep. Don Mayhew (R-Crocker). This bill adds "center of section" to the points of land included in the definition of "corners of the United States public land survey". The bill substitutes the phrase "an existent corner" with "a position" within the definition of "obliterated, decayed or destroyed corner". A description of the procedure used to relate the intersection of meridional and latitudinal lines to the measurement between four known corners is repealed. Certain options that can be used to reestablish lost standard corners and lost section and quarter-section corners are repealed and replaced with the single proportionate method. The bill also provides that the proportional position shall be offset, if necessary, in a cardinal direction to the true line defined by the nearest adjacent corners on opposite sides of the quarter corner to be established.

A substitute was adopted which made a technical correction to a sectional reference.

**TRANSPORTATION FUNDING:** The Senate Committee on Transportation, Infrastructure, and Public Safety conducted a public hearing on **SB 906**, sponsored by Sen. Doug Libla (R-Poplar Bluff). This act modifies provisions relating to the Department of Revenue. Its main provisions are:

- **REMOTE DRIVER'S LICENSE RENEWALS** (Section 32.300);
- **VEHICLE REGISTRATION FEES** (Sections 301.010, 301.020, 301.055, 301.057, 301.058, and 301.070);
- **REAL ID** (Section 302.170);
- **DRIVER'S LICENSES** (Section 302.181.1-4);
- **DIGITAL DRIVER'S LICENSES** (Section 302.181.10); and,
- **MOTOR VEHICLE INSURANCE REPORTING** (Section 303.026).

Testifying in support were representatives from the MO Department of Revenue, Missouri Society of Professional Engineers, American Council of Engineering Companies of Missouri, Missouri Petroleum Marketers and Convenience Store Association, Missouri Department of Transportation, Missouri Limestone Producers Association, Missouri Chamber of Commerce, Missouri Dump Truck Association, and Missouri Trucking Association. These witnesses supported the provisions relating to vehicle registration fees that would increase funding for Missouri's roads and bridges. Testifying in opposition were representatives from the Associated Industries of Missouri, MO Automobile Manufacturers, and Ford Motor Company. These witnesses told the committee that basing registration fees on miles per gallon shifts the burden on to vehicle manufacturers. The committee took no further action on the measure.

**DISSOLUTION OF THE HIGHWAYS AND TRANSPORTATION COMMISSION:** The House Committee on Downsizing State Government heard **HB 2702** and **HJR 124**, sponsored by Rep. Jeff Knight (R-Lebanon). The bill and the proposed constitutional amendment would abolish the State Highways and Transportation Commission, and vests the powers and duties specified in Chapters 226 and 227, RSMo in the Director of the Department of Transportation.

These proposals were introduced because of a disagreement between MoDOT and the Missouri State Highway Patrol involving pension plans. There was no additional testimony and the committee took no action on the two measures.

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**HOUSE & SENATE CALENDARS**

**HOUSE**

*House Bills for Perfection – Informal:*

**HB 1891** - Rep. Nick Schroeer (R) - Adds provisions relating to statewide mechanical contractor licenses.

HB 2164 - Rep. Robert Ross (R) - Requires the renaming of the land survey program headquarters building.
HB 2555 - Rep. Dirk Deaton (R) - Creates the COST Act.

House Bills for Perfection – Consent:
HB 2300 - Rep. Jeff Coleman (R) - Modifies provisions relating to peer review committees.

House Bills for Third Reading:
HB 1442 - Rep. Steve Helms (R) - Modifies and adds provisions relating to professional licensure.

SENATE

Formal Calendar – Third Reading of Senate Bills:
SB 618 - Sen. Wayne Wallingford (R) - Modifies provisions of law relating to an infrastructure system replacement surcharge for gas corporations.

Formal Calendar - Senate Bills for Perfection:
SB 559 - Sen. Dave Schatz (R) - Establishes the Missouri Statewide Mechanical Contractor Licensing Act.
SB 647 - Sen. Andrew Koenig (R) - Establishes the Fresh Start Act of 2020.

Informal Calendar - Senate Bills for Perfection:
SB 539 - Increases taxes on motor fuels.
SB 592 - Sen. Bill White (R) - Establishes provisions related to water and sewer infrastructure rate adjustments for water and sewer corporations.
SJR 40 - Sen. Andrew Koenig (R) - Modifies several provisions relating to taxation.

MAJOR DATES OF INTEREST

MARCH 2020
23-27 – Legislative Spring Break (no session)

APRIL 2020
13 – Easter Break (no session)

MAY 2020
8 – FY2021 Budget deadline for passage
15 – Last day of the 2020 Legislative Session

JULY 2020
1 – FY 2021 Begins

AUGUST 2020
28 – Effective date of all legislation passed by the legislature and signed by the Governor that does not carry specific effective dates or emergency clauses.