

MISSOURI HOUSE OF
REPRESENTATIVES



The Legislative Link
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House Approves Resolution Rejecting Tax Increase on Missouri Farmland



Wednesday morning, the Missouri House of Representatives gave overwhelming approval to a resolution rejecting a plan that would increase property taxes on Missouri's best agricultural land. The House voted to approve HCR 7, 3 & 17 by a vote of 140-15.

In December, the State Tax Commission recommended increasing the productive values for the highest quality of agricultural land. The productive values are used to determine the amount of property tax paid by land owners. The commission's proposal would raise taxes on the most productive agricultural land, which generally consists of cropland, by 30 percent and decrease taxes on less productive land. The changes would result in an 11 percent tax increase statewide.

During his speech on the House floor, the resolution's sponsor, Rep. Brian Munzlinger, R-Williamstown, called the proposed increase "ridiculous" and told his colleagues, "This is not the time to raise taxes on anyone."

Agricultural land in Missouri is divided into eight categories based on quality. The best land is categorized as Grade 1 and the worst as Grade 8. The ruling of the State Tax Commission increased the value for land in the four best categories, lowered values for the next three categories, and kept the lowest category the same.

"I know there are some types of land where taxes would go down if this recommendation from the tax commission would pass. I hate to see them lose out on that, but I think that the increase to a lot of the people on good crop land ... that tax increase is going to be much more than the decrease to others," said Rep. Joe Aull, D-Marshall.

By law, the Missouri General Assembly has 60 days from the start of the legislative session to pass a resolution rejecting the commission's proposal; otherwise, the changes go into effect Jan. 1, 2011. The resolution now heads to the Senate for consideration.

View the video - <http://www.youtube.com/watch?v=p28o1sMt-co>

Committee Hears Testimony on Several Ethics Reform Bills

This week the House Special Committee on Government Accountability and Ethics Reform held a hearing on several bills in an effort to draft one piece of legislation that would change the way

the General Assembly and other elected officials conduct business. The committee heard bills proposing to increase transparency, ban lobbyist gifts to individual legislators and reinstate campaign contribution limits.



The committee heard testimony on HB 1434, a bipartisan proposal to increase public transparency sponsored by Reps. Tim Flook, R-Liberty, and Jason Kander, D-Kansas City. One provision of the bill would make it a crime for a legislator or other elected or appointed official to accept anything in exchange for their vote.

The bill also would create the crime of obstruction of an ethics investigation, which would make it a felony to knowingly provide incorrect information to or obstruct an investigation of the state Ethics Commission. Currently, unlike the federal level, Missouri has no law against obstructing these investigations.

“Right now we have created an incentive in state law to lie to investigators, because even if we have the tightest laws we can possibly have, when you are approached by an investigator, you have an incentive to lie and end the investigation because we have not said that that is against the law. It should be a felony just as it is at the federal level,” said Kander.

Kander mentioned this discrepancy was brought to light by recent events involving former members of the General Assembly. “What I want everyone on this committee to understand is that if Representative Brown and Senator Smith, former in both cases, if every single thing that they did, had they done it in state politics instead of in federal politics, it would have been entirely legal,” said Kander. Smith is currently in prison for lying to federal investigators and Brown received probation in the case.

Other provisions of the bill aim to shed light on the movement of money between campaign committees and candidates. The bill proposes to prohibit the transfer of money from one campaign committee to another committee other than that of a candidate.

“We want to make sure the public knows who’s being supported by what organization and how much they are investing. We want to make sure it is clear that if someone is going to spend a large amount of money on you, then the public deserves to know that and you need to be held up and accountable for it,” said Flook. He added, “The committee to committee transfer piece is key to resolving the issue of laundering donations through multiple committees.”

The bill also proposes to prohibit a person from serving as treasurer or deputy treasurer on more than one committee. “Those two parts of this bill are the fulcrum of ... reducing the laundering of contributions and limiting the ability of any individual group or individual candidate of hiding who is really involved in advocating for them or supporting them in campaigns,” said Flook.

During the meeting, the committee heard testimony on several other bills including two that proposed to reinstate campaign contribution limits, which were repealed in 2008. HB 1326, sponsored by Rep. Rachel Bringer, D-Palmyra, and HB 1337, sponsored by Rep. Gary Dusenberg, R- Blue Springs, would also set campaign limits for candidates for all statewide offices, the General Assembly and local elected offices.

“When people with lots of money, individuals and companies, get to say what bills are heard and not heard, that is not fair. It is not giving consideration to people out there in the public,” Dusenberg said in regard to campaign donations to members of the General Assembly. He went on to say, “This has gone too far, and we must get back to a fair and reasonable process.”



Bringer also presented testimony on HB 1324, which would ban all lobbyist gifts to individual legislators. Bringer expressed concerns about the public’s perception of the legislative process, and whether they see it as fair and accessible. She also mentioned that other states have limited or banned these types of gifts.

“Three other states have completely banned lobbyist gifts and many other states have monetary limits on individual gifts to individual members of the legislature. I think it is high time for our state to step forward in that correct direction. I am not saying that this is the complete answer to all issues that our state is facing, but I think it is a good first step and a positive first step,” said Bringer.

This week the committee also heard testimony on five additional bills: HB 1309, HB 1655, HB1708, HB 1727 and HB 1754. The committee plans to look at the provisions proposed in all of the bills presented and draft one piece of legislation to reform the way elected officials and those running for elected office conduct business.

House Committee on Elections Holds Hearing on Special Elections Bill

On Tuesday, the House Committee on Elections held a hearing on HB 1497. The bill, sponsored by Rep. Jason Smith, R-Salem, requires special elections to fill vacancies in the offices of Lieutenant Governor, Attorney General, Secretary of State, State Auditor, State Treasurer and United States Senator. Under current law, the governor appoints a replacement if a statewide office becomes vacant.

“If there is a vacancy, the governor wouldn’t appoint, it would always have the will of the people to decide who governs them, and that’s what I’m trying to do,” said Smith. “If there are any vacancies that require a special election, the people ultimately should always decide who represents them first at the beginning and at the end if there is a vacancy.”

In the proposed bill, special elections would be held to fill vacancies for statewide office-holders rather than someone the governor appoints. The bill is very similar to HB 681, which was passed by the House during the 2009 session, but stalled in the Senate.

There were no witnesses testifying for or against the bill.

House Budget Committee Approves Federal Balanced-Budget Resolution

By a unanimous vote, the House Budget Committee approved a resolution calling for an amendment to the U.S. Constitution that would require the federal government to craft a balanced budget. The committee combined HCR 34, sponsored by Rep. Allen Icet, R-Wildwood, and HCR 35, sponsored by Rep. Chris Kelly, D-Columbia, into a committee substitute before approving the measure.

During testimony on the resolution, Kelly outlined the three primary concerns he believes a balanced budget amendment would address. First, Kelly said, the federal government is spending too much money and has too much debt, which is driving up interest rates for everyone. Second, Kelly pointed out that the federal government, unlike Missouri, does not have to choose between funding some programs and not others. “The fact we have to make that choice distills and makes stronger our decision-making process. The federal government doesn’t have to put their budget requests into that fire,” Kelly said. Kelly’s third area of concern was with the growth of federal power that arises from being able to appropriate without limitation; something he said scares him the most.

Also during discussion on HCR 34 & 35, committee members questioned whether the resolution would call for a constitutional convention if passed by the required number of states. Icet said his intent was to call for a federal balanced-budget amendment without having a constitutional convention. “We would be in uncharted waters if a constitutional convention is actually convened and I don’t think anyone wants to go there,” Icet said.

If passed by the General Assembly, Missouri would join a list of 20 states that have passed similar balanced-budget resolutions. If a total of 34 states pass similar resolutions, Icet believes Congress will be required to send a balanced budget amendment to the states for voters to approve.

“The federal government cannot borrow the amount of money it is borrowing without a detrimental economic impact on the nation. The federal government certainly thinks it can have its cake and eat it too with no consequences whatsoever. I think we can all agree that is not what is going to happen,” Icet said.

Also during the hearing, the committee gave unanimous approval to another resolution calling on Congress to cease and desist from imposing unfunded mandates on states.

During his testimony, Icet said that many of the programs created by Congress are beneficial but states should be able to decide whether to fund them. “Congress will create a program and they will fund it for three years and then back out, leaving the states on the hook. Some of the programs are very effective, and we as states need them, but I think it should be up to the states to decide what we fund and what we don’t fund,” said Icet. “This is simply language that will send a message to Congress asking them to cease and desist.”

Both resolutions now move to the House Rules Committee for approval.

House Committee Considers Missouri Jobs for the Future Act



On Tuesday, members of the House Committee on Job Creation and Economic Development listened to testimony on a bill designed to create jobs by fostering partnerships between municipalities and institutions of higher education. Rep. Tim Flook, R-Liberty, who sponsors HB 1635, told the committee about the legislation also known as the Missouri Jobs for the Future Act.

“It creates for cities a new type of development district with new tools for them to reinvest in the acquisition of land and the promotion of a district that will be a research and innovation park ... going after sciences, new technologies, new development,” said Flook. “That almost always leads to entrepreneurs and more manufacturing and new generation products.”

During his testimony, Flook talked about the finite set of economic development tools possessed by municipalities; something he says limits their economic development efforts. He also spoke of the difficulties the state faces to commercialize research done at state colleges and universities by making it relevant to the private sector. According to Flook, HB 1635 addresses both of these problems.

“I think the bill is critical to changing the culture in the State of Missouri at the local level by giving them a positive tool and a positive incentive to go after two key areas of improvement in our state,” said Flook.

HB 1635 would allow a municipality to establish a Missouri Jobs for the Future District. According to Flook, the district would allow a city to identify targeted business clusters and then build up an infrastructure and a network to support the development. The project would be funded by capturing incremental increases in income and sales tax revenues created within the district for up to 25 years.

The bill also requires a higher education partnership, which Flook said is one of the key components of the legislation. “Any city that has institutions of higher education will have a potential partner,” said Flook. “This causes all those engaged in higher education to look at their city as a business partner for promoting what their college can offer to their students and professors, and what their college can contribute back to the community.”

Testifying in favor of the bill were the City of Blue Springs, Associated Industries of Missouri, Partnership for Community Growth – Liberty, Platte County Economic Development Council, Treanor Architects, Missouri Chamber of Commerce and Industry, St. Louis Community Colleges, Johnson County Economic Development Association, Missouri Economic Development Council, Kansas City Power and Light, and the Missouri Biotechnology Association. No individuals testified in opposition to the bill.

Tax Reform Committee Hears Testimony on Four Bills

On Wednesday morning, the House Committee on Tax Reform held a hearing on four bills. Two of the bills, HB 1225 and HB 1227, propose to increase the dependent exemption parents can claim for each child. HB 1225, sponsored by Rep. Mike Lair, R-Chillicothe, proposes to increase the exemption from \$1,200 per child to \$1,500 per child. HB 1227, sponsored by Rep. Will Kraus, R-Lee’s Summit, proposed to increase the exemption to \$2,000 per child. Both representatives discussed that the exemption has not been increased for 10 years although the cost of living has increased.

Rep. Jeanette Mott Oxford, D-St. Louis, also expressed her concerns that the legislature does not update these types of programs often enough. “One of the most frustrating things about Missouri government to me is that we don’t update numbers and then getting them updated falls to all kinds of partisan bickering,” said. She continued, “We let things get outdated and we don’t fix them.”

The committee also heard testimony on HB 1514, sponsored by Rep. Jason Smith, R-Salem, which proposes to change the timeframe in which the Department of Revenue has to return tax refunds. Currently, the department has four months to refund the money. HB 1514 would shorten that timeframe to 45 days.

“A lot of people count on a timely refund and when they don’t receive it, it can put them in a bind, especially when we are looking at tough times. Even with the state of Missouri, our budget is tough but the people of Missouri who are paying the taxes, who represent the state, they’re facing a tough time too. We just need to be good stewards of their money,” said Smith.

Rep. Bill Deeken, R-Jefferson City, also presented HB 1316, which would give smaller counties the ability to opt out of requirements to send estimated property tax estimates in June when the assessed value of the property increases. This proposal would allow these counties to send a notice to property owners that the value had increased and to contact the collector’s office if they would like an estimate. The collector then could use last year’s tax rate to calculate the estimate. If this bill does not pass, these requirements would go into effect in next year.

“Part of the situation with third class counties is the fact that when this was passed, it was supposed to be revenue neutral and the state was supposed to pick up the cost for the software. As you know, last year the funding for that was cut,” explained Rep. Tom Loehner, R-Koeltztown. He continued, “This was going to be quite a burden on some of our third class counties. So this alleviates that.”

The County Collectors’ Association, County Assessors’ Association, County Clerks’ Association and Missouri Association of County Governments testified in support of the bill.

Crime Prevention Committee Hears Testimony on Bill Requiring Prescription for Some Cold Medicines

The House Crime Prevention Committee heard testimony Wednesday on HB 1210, which would make any drug containing pseudoephedrine available only with a prescription. Pseudoephedrine is a key ingredient in making methamphetamines, but also acts as a potent nasal decongestant in medications like Sudafed and Claritin-D.

Sponsor Rep. Scott Lipke, R-Jackson, also introduced the bill during last year’s session, but it was not brought to a vote on the House floor. Lipke hoped the bill would fare better this year, given the state’s ever-growing problem with meth-related crime.

“If you don’t think this problem affects your area, frankly, I would just say you’re wrong,” Lipke said. “I think it affects every part of this state: urban, rural, upper class, lower class, middle class ... I think we have a good chance to do something that’s meaningful and will have lasting results.”

Lipke and other witnesses testified that Missouri currently leads the nation in the number of meth lab incidents. Bill supporters think methamphetamine offenders would be significantly deterred from buying medicines to create the drug if doing so required a prescription.

Rep. Jamilah Nasheed, D-St. Louis, was skeptical about the efficacy of the bill, and wondered whether the legal measures currently in place were not enough. State law now requires the use of an electronic monitoring system, in which cashiers check identification of anyone purchasing a

drug containing pseudoephedrine using a computer program. The program looks to see if the customer has been convicted of any meth-related crimes, and whether they have recently purchased their legal limit of pseudoephedrine-containing medicine at another pharmacy. However, bill supporters argued that offenders could simply use friends and family members to buy the medicines for them.

Rep. Nasheed said requiring a prescription would only drive illegal activity further underground.

“What you’re asking us to do will only increase the amount of activity when it comes to meth labs in Missouri,” Nasheed said. “The black market will skyrocket. There will be a massive amount of people bringing those drugs in from other countries. As long as there is a demand, there will be a supply.”

Rep. Jeff Roorda, D-Barnhart, disagreed with this argument, citing the successes of a similar law in Oregon passed in 2006, as well as city ordinances passed in Washington, Kennett, Poplar Bluff, Union and Jefferson County. Meth lab operators in Oregon have “pushed those labs outside their state boundaries, and I think it’s because they know now that law enforcement is free to catch them and investigate their activities,” Roorda said.

Witnesses testified that Oregon experienced a significant drop in every type of crime after passing the law, and also saw a dramatic decrease in the number of meth labs.

Rep. Mike Colona, D-St. Louis, questioned whether the issue should be addressed at the state level. His constituents, he said, are less affected by methamphetamines than by other drugs, such as heroin.

“It’s not viewed as a problem in the city, and they’d rather dedicate their resources and our efforts to attacking other drug issues,” Colona said. “If it’s working in Washington, Missouri, why should we address this at the state level? Why don’t we let municipal counties and cities address this as they see needed?”

Sgt. Jason Grellner, a detective in the Franklin County narcotics enforcement unit, responded that many meth labs go undetected, especially in areas like St. Louis, because law enforcement is busy dealing with other problems.

Rep. Scott Dieckhaus, R-Washington, also testified in favor of the bill. He recalled discovering that his neighbors in his duplex were making methamphetamines in 2006. “We had no idea,” Dieckhaus said. “I was literally separated by a wall.”

Dieckhaus then urged the committee to support the bill. “There are inconveniences if this type of legislation passes,” Dieckhaus said. “I don’t think the inconveniences are that horrible... I could have innocently been a victim of a meth lab explosion.”

House Committee on Job Creation and Economic Development Considers Missouri Business First Act

On Wednesday, the House Job Creation and Economic Development Committee heard testimony on a bill designed to provide extra incentives to existing Missouri businesses to keep them located in the state. Also known as the Missouri Business First Act, HB 1684 is sponsored by

Rep. Anne Zerr, R-St. Charles, who told the committee about the problem the legislation is meant to address.

“Currently, Missouri’s economic development incentive programs are primarily based on new job creation. They don’t distinguish between new companies or existing companies. Other states have been targeting Missouri businesses that are ready to expand and offering enhanced economic development incentives to relocate and expand in their state,” said Zerr, who pointed out that estimates from the Missouri Department of Economic Development indicate 20 to 30 Missouri businesses seek to expand each year. Zerr said the department doesn’t have sufficient financial incentives to keep companies in Missouri.

HB 1684 would give the department an incentive program that would make it more attractive for Missouri businesses to stay and expand. The bill would give the department the authority to provide ready-to-expand businesses an increase in the amount of tax credits they receive. The increase would come in increments of 2 percent for every five years a business is located in the state. The total percentage increase is capped at 10 percent. The bill would not increase the annual caps for any of the state’s economic development programs but instead would increase the per project cap. The economic development director would have the authority to increase benefits after showing the project will have a positive net benefit to the state.

“I see it as kind of a loyalty program for Missouri businesses and another incentive tool for the department to utilize,” said Zerr.

Department of Economic Development Director David Kerr testified before the committee on the unique nature of this approach. “This does something that many other states don’t do and is one of the real gaps that most states have in their economic development toolkit ... and that is a way to really acknowledge and incent your existing businesses that have a long history in your state,” Kerr said.

The committee heard testimony in favor of the bill from a long list of witnesses representing economic development organizations from around the state including Associated Industries of Missouri, Missouri Chamber of Commerce and Industry, Missouri Economic Development Council, Kansas City Economic Development Corporation and the St. Louis RCGA. Missouri First Inc. testified in opposition to the bill.

The committee plans to vote on the bill next week.

House Committee Hears Testimony on Bill Offering Job Creation Incentives for Manufacturers



On Wednesday evening, the House Committee on International Trade and Immigration held a hearing on House Bill 1675, sponsored by Rep. Jerry Nolte, R-Gladstone. This bill provides incentives to qualified manufacturers and suppliers that create or retain jobs in Missouri.

“The purpose of this bill is to encourage the retention and creation of manufacturing jobs, particularly those that are

involved with exporting,” said Nolte.

HB 1675 would allow qualified manufacturers in Missouri to keep 50 percent of their withholding tax for 10 years. To qualify, a manufacturer has to export at least 10 percent of their product outside the United States or 20 percent outside Missouri; make at least a \$50,000 capital investment per full-time retained employee; and manufacture a new product.

“Obviously, manufacturing jobs are important for a number of reasons. One of the main ones is the multiplier effect. Those are the kind of jobs that really have a dramatic effect on the local economies of the communities in which they are located,” said Nolte.

In addition, any supplier with more than 10 percent of their revenues coming from a qualified manufacturer would be able to retain 100 percent of their withholding tax on newly created jobs, if they create at least five qualifying new jobs. The bill also includes taxpayer protections in the event the manufacturer or supplier fails to meet the requirements of the act.

“This is going to be something that, hopefully, we will have on the shelf and ready to go and it will level the playing field when we are in competition with other states for these kinds of businesses. You know states like Michigan, Ohio and Kentucky are already in the game here and we need to make sure that we are,” said Nolte.

Several people and organizations testified in support of this bill, including Kansas City area elected officials, organizations and auto-worker unions. Those testifying from the Kansas City area talked about how this bill would help the Claycomo Ford Plant as it competes with other Ford plants nationwide for a new line of vehicles. Jim Stoufer, the chairman of the Board of Trustees for the Village of Claycomo, discussed the vacant land around the Ford plant that would be a good location for the plant’s suppliers.

“As a former auto worker myself, I understand it is important to make sure we have those incentives out there...so when they do look to put on a new line that we have those tools available to make sure we are competitive with other states,” said Rep. Sam Komo, D-House Springs.

After the hearing, the committee took no further action on the bill.

House Special Committee on General Laws Discusses Health Care Resolution

On Thursday, the House Special Committee on General Laws heard testimony on HJR 57, sponsored by Rep. Tim Jones, R-Eureka. The resolution proposes a constitutional amendment prohibiting any person, employer or health care provider from being compelled to participate in any health care system. Similar resolutions were also proposed by Reps. Cynthia Davis, R-O’Fallon, and Doug Ervin, R- Holt.

Jones testified that HJR 57 is in response to the growing unhappiness of Americans who are opposed to the happenings in Washington D.C., and believe the federal government should not mandate health care. “Health care choices should remain in the hands of every Missouri citizen. This HJR is the constitutional line in the sand and a clear message to Washington. At what cost liberty? At what cost freedom?” Jones said. Jones went on to say that health care, and the choice of having health care, is a personal choice for citizens, and HJR 57 protects the right to choose doctors and insurance without interference from the federal government.

Rep. Beth Low, D-Kansas City, spoke about costs associated with the uninsured. “The biggest cost driver is a lack of preventive care for the uninsured, and the transfer of that cost to the insured,” Low said. Low argued that many of her constituents would love the opportunity to purchase insurance they would not otherwise have because of their income.

Jones argued that HJR is speaking for the majority of Missourians, and that the majority of Missourians and Americans do not want the federal government regulating health care. Rep. Mike Colona, D–Kansas City, countered that the majority of Americans also used to favor limited rights for women and African Americans.

Dave Roland, attorney and policy analyst for the Show Me Institute, testified for informational purposes as to the constitutionality of a federal health care bill. There were several questions about which rights in the constitution allow the government to regulate health care. Roland concluded that the potential health care bill could eventually be ruled unconstitutional due to the freedoms of privacy, contract and association.

Several members of the public testified, including Jeffery L. Thomasson, M.D. Thomasson is a physician at St. John’s Mercy Medical Center in St. Louis and testified about his personal experience with the passing of his father. “I would ask the legislators of this committee to reflect on their own family’s experiences and ask them if they would want anything less than the present level of freedom they enjoy in their health care decision making.”

Also testifying in favor of the bill were Ron Keeven, owner of Keeven Heating and Cooling in New Haven, and Cindy McGhee, a member of the Show Me Patriots.

Testifying against HJR 57 was David Hale representing the Missouri Hospital Association. Hale testified that hospitals would lose millions of dollars if the individual health insurance mandate was not enforced.

The committee did not take further action on the proposal.

House Committee Hears Testimony on Missouri’s Second Injury Fund

On Monday, members of the House Special Committee on Workforce Development and Workplace Safety heard testimony on the financial troubles faced by Missouri’s Second Injury Fund. Chairman of the committee, Rep. Barney Fisher, R-Richards, and other members questioned witnesses about the best way to deal with the fund’s projected insolvency.

Created in 1943 to encourage companies to hire returning war veterans, the role of the Second Injury Fund has grown over the years. The fund covers claims from workers with previous injuries who are re-injured on the job. In circumstances where a worker’s pre-existing condition is made worse by an on-the-job injury, the settlement to the worker is paid by the fund rather than by the employer. Employers pay for the fund through a surcharge on workers’ compensation insurance premiums.

During the hearing, committee members heard testimony about the financial troubles faced by the fund. Witnesses pointed to declining worker’s compensation premiums as one of the factors pushing the fund toward bankruptcy. Witnesses also discussed the impact of legislation passed by the Missouri General Assembly in 2005 that capped the surcharge on workers’ compensation

insurance premiums at 3 percent. Before that change, the surcharge fluctuated based on revenue needs. A representative from the Missouri Attorney General's office, which defends claims made against the fund, testified that the Second Injury Fund will soon be insolvent and unable to meet its obligations. In October of 2009, the Attorney General decided to stop entering into new settlements until a greater understanding of the fund's solvency is reached.

While no legislation was discussed during the hearing, members of the committee will continue to explore solutions to the financial problems faced by the fund.

Additional Web Links

Photos from the Week of Jan. 25 - 29

<http://www.house.mo.gov/content.aspx?info=/photos.htm>

Video Week in Review

http://www.youtube.com/watch?v=VrBYN_MAAEw

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