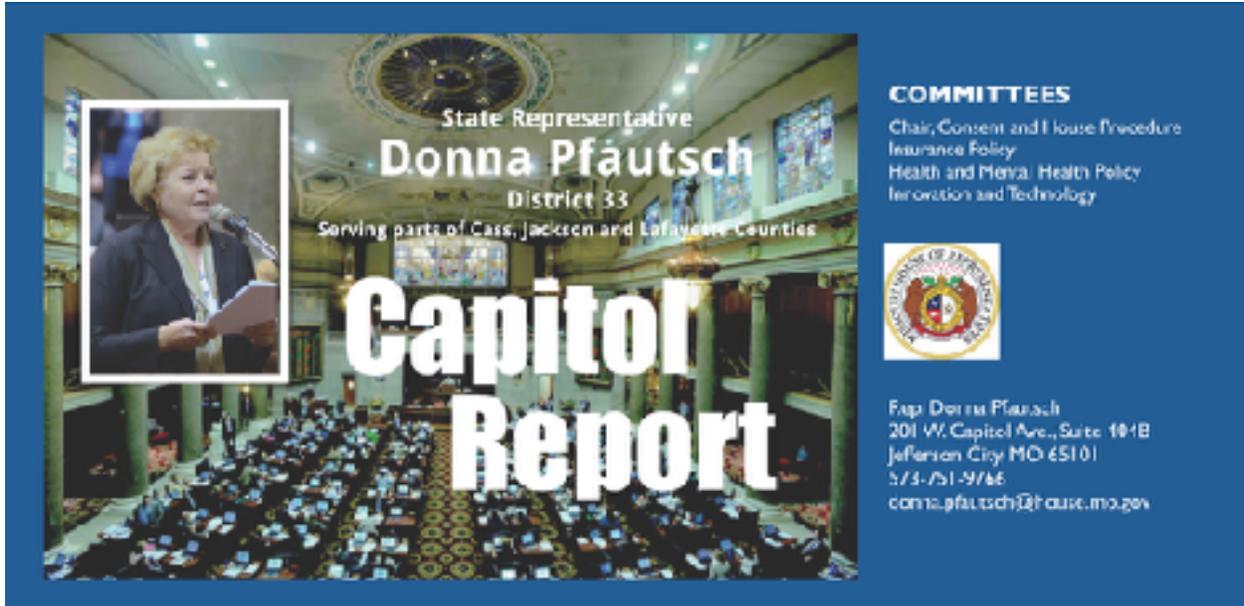


May 20, 2018



State Representative
Donna Pfautsch
District 33
Serving parts of Cass, Jackson and Lafayette Counties

Capitol Report

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Insurance Policy
Health and Mental Health Policy
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General Assembly Concludes Successful Session

Friends,

On Friday we wrapped up the 99th General Assembly's second session with a number of historic achievements and a long list of quality legislation. I'm happy to report that all of my legislation was passed, either as a Senate companion or amended and passed on other bills. The legislation deals with a variety of topics:

- Preventing fraud in the state's unclaimed property system (HB 1525);
- Preventing an unjustified increase in workers' compensation rates for 90% of the state's public schools and community colleges (HB 2421);
- An acceleration policy for students in gifted/talented programs (HB 1421);
- An extension of the sunset date for Quality Assurance Reports for preschools so they can qualify for grants and helping parents in their search for quality preschool programs (HB 1420);
- Removing antiquated legislation from a 1909 statute dealing with newborn eye drops (HB 2117).

Shortly after the regular session ended, we began a special session that will continue for 30 days as a special oversight committee continues its investigation into Gov. Eric Greitens. In the meantime, I want to share with you some of the highlights of the regular session.

In all, the General Assembly gave final passage to more than 145 bills. The number represents an increase from the previous session when the legislature pushed 76 bills across the finish line. The bills approved this year make substantive improvements for the people of Missouri by lowering taxes for working families, cutting bureaucratic red tape, providing expanded educational opportunities to young people, supporting the state's veterans, and protecting victims of human trafficking and domestic abuse.

Fiscally Responsible State Spending Plan with a Record Investment in Education

In addition to the policy initiatives adopted by the General Assembly, one of the biggest accomplishments of the 2018 session is a fiscally responsible state spending plan that makes a record

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level of investment in K-12 education. The spending plan approved by lawmakers fully funds the Foundation Formula for two consecutive years for the first time in state history. The spending plan also reverses cuts to higher education proposed by the governor. The restored funding is part of an agreement with the state's colleges and universities that will keep tuition increases in check.

The \$28.3 billion spending plan also holds welfare spending in check and includes a budget reserve of \$100 million to allow for emergency spending needs. Additionally, the approved budget increases the level of transparency and accountability for the use of taxpayer dollars. The budget plan breaks down spending for the state's legal expense fund, and improves transparency for spending within the Conservation Department, as well for dollars allocated to home-delivered meals.



On Tuesday I had the honor and privilege to introduce two of our Pleasant Hill VFW members on the House floor! Robert Crawford (l) who served in the Taiwan Straits Crisis and Francis Thibeault who served in the Korean War.



Also this week Optimist Club members from Lake Lotawana visited the Capitol in support of House Bill 1484 that changes laws for the operation of bingo. This legislation means their local Mason Elementary School and others will receive much needed additional funding. Rep. Brown's bill passed and the Optimist Club continues to invest in their community.

2018 Legislative Accomplishments

- **Working Family Tax Relief (HB 2540)** - Missouri families will keep more of their paychecks under a tax cut approved by the General Assembly. The bill will provide Missourians with the largest single-year income tax cut in the state's history. The bill reduces the existing individual income tax rate from 5.9 percent to 5.5 percent. Additional triggers based upon revenue growth in the state will eventually lower the individual tax income rate to 5.1 percent, putting Missouri among the top states for lowest state income taxes.
- **Corporate Tax Reform (SB 884)** – In an effort to make Missouri even more attractive for economic development, the legislature approved a bill that will make Missouri's corporate income tax the second-lowest in the nation. The legislation will lower the corporate income tax rate from 6.25 percent to 4 percent in 2020. The bill is designed to be revenue neutral by closing loopholes in the current corporate tax structure. The legislation will also require all corporations to use a single-sales factor income allocation method, which will encourage investment and job creation in the state. The measure is meant to update the state's outdated and complex corporate income tax code and to create the best environment to drive economic development.

- **Funding Road and Bridge Projects and Supporting the Highway Patrol (HB 1460)** - Under legislation approved this session, voters will have the opportunity to decide if the state's tax on fuel should be increased to provide a dedicated funding source for the state highway patrol, which will free up funding for Missouri's roads and bridges. If approved by voters in November, the measure would gradually phase in a fuel tax increase of up to 10 cents per gallon by raising the tax by 2.5 cents a year for four years beginning July 2019. The bill is expected to raise at least \$288 million annually for the State Road Fund to provide funding of Missouri state law enforcement, and \$123 million annually to local governments for road construction and maintenance.
- **Uniform Small Wireless Deployment Act (HB 1991)** – The House and Senate worked together this session to approve legislation meant to bring Missouri's wireless technology into the 21st century. The bill will allow "small cell" facilities to be deployed statewide so that the next generation of wireless technology can deliver faster and more efficient service. The legislation is designed to balance the needs of municipalities to manage the right-of-way in their communities with the need for wireless carriers to deploy this new technology. The bill is expected to create more than 20,000 jobs and attract \$2 billion in capital investment, leading to nearly \$4 billion in economic growth over the next few years.
- **Grid Modernization and Rate Stabilization (SB 564)** – The General Assembly approved legislation meant to update the state's utility infrastructure and ensure any benefits Missouri's electric utilities have received from the federal tax cut are refunded to customers in the form of rate cuts within 90 days of the bill being signed into law. For Ameren Missouri customers, that equates to approximately \$133 million in savings, which will result in a 4.8 percent cut in electric rates. Because utility rates for Missourians have increased at a rate four times faster than the national average, the bill will implement customer-friendly rate caps and create stability for the future costs of electricity. The bill will allow the state's biggest electricity companies to make improvements to their infrastructure with the more consistent rate increases. The legislation will lead to more than \$1 billion in new investment and 3,000 new jobs in Missouri.
- **Expanding Rural Broadband (HB 1880)** – Legislation approved during the 2018 session declares that the General Assembly believes expanding and accelerating access to high-speed broadband communications services is in the best interests of citizens. In recognition of this capital-intensive deployment, the General Assembly encourages rural electric cooperatives to enter into agreements or contracts with certain entities set forth in the act. Such agreements may provide for the non-exclusive use of rural electric cooperative infrastructure and easements for the deployment of such services. The bill also modifies provisions relating to broadband communications services provided by rural electric cooperatives. Currently, rural electric cooperatives have certain powers, including the power to construct electric transmission and distribution lines or systems. Under the bill, such "electric transmission and distribution lines or systems" would be defined to include copper and fiber optic cable, facilities, as well as technology that carries light signals and data beyond that necessary for the transmission and distribution of electricity.
- **Rural Broadband Development (HB 1872)** – The General Assembly approved a bill to help expand broadband internet service throughout the state. The bill establishes a program to award grants to applicants who seek to expand access to broadband Internet service in unserved and underserved areas of the state. The program will be administered by the Department of Economic Development. The legislation is meant to address the 61 percent of rural Missourians, representing more than one million individuals, who do not have access to reliable broadband services.
- **Reducing Burdensome Regulations (HB 1500)** – Legislation approved in 2018 works to cut red tape and reduce government regulation. The bill addresses issues faced by hair braiders in Missouri as they currently must obtain a cosmetology license that requires 1,500 hours of training that is not relevant to the practice of braiding. In comparison, a real estate agent needs only 72 hours of training, and an emergency medical technician needs only 100 to be licensed. The bill approved by lawmakers specifies that hair braiders do not have to obtain a cosmetology license in order to earn a living. The bill requires individuals engaging in braiding for compensation to register with the State

Board of Cosmetology and Barber Examiners. No education or training will be required to register, except that the hair braider will need to view a mandatory instructional video.

- **Preventing Overregulation (HB 1500)** – A bill approved in 2018 will ensure government engages in the licensing and regulation of occupations and professions only when it is necessary to protect the welfare of the public. If the need exists, the regulation adopted by the state would need to be the least restrictive type of occupational regulation consistent with the public interest to be protected. The bill would also establish a heightened level of review with specific criteria for all legislation that would seek to license an occupation or profession for the first time or to substantially expand the scope of a current professional license.
- **Legalizing Industrial Hemp (HB 2034)** - The Missouri General Assembly approved a bill that will legalize the growing of industrial hemp in Missouri. The bill is meant to promote industrial hemp as an agricultural commodity in Missouri, which was one of the largest producers of industrial hemp in the nation before it became illegal. The legislation will exempt industrial hemp from the definition of marijuana and the list of controlled substances. It will allow an individual who has received an industrial hemp license to grow, harvest, cultivate, and process industrial hemp. The bill establishes a pilot program under the Department of Agriculture to implement the licensing standards and requirements. In addition, the bill requires every grower or handler to be subject to an industrial hemp monitoring system to ensure compliance with state law and department rules.
- **Criminalizing “Revenge Porn” (HB 1558)** - The legislature approved a bill that will make it a felony to disseminate private sexual images without the consent of the person in the image. Often referred to as nonconsensual pornography or “revenge porn,” the offense occurs when an individual sends or posts sexually explicit photos or videos of someone without their permission even if they were originally taken with consent. The legislation makes it a class D felony to disseminate private sexual images without consent. The legislation also makes it a class E felony to threaten the nonconsensual dissemination of private sexual images.
- **Raising the Marriage Age to Protect Young People (SB 655)** - The Missouri General Assembly has given final approval to legislation that will raise the marriage age in Missouri in an effort to protect young people. Under current law, no marriage license will be issued to authorize the marriage of a person under 15 without a court order for good cause shown. The bill approved by the General Assembly will raise the minimum age of marriage to 16 and remove the discretion for the court to issue a license to anyone under the minimum age. In addition, the bill states that no license can be issued for the marriage of a person 21 years or older if the other party is less than 17 years of age. The bill is an important part of the state’s efforts to prevent child marriages that are used to disguise abusive situations and human trafficking.
- **Fighting Human Trafficking (HB 1246)** – Legislation approved by the General Assembly addresses the growing problem of human trafficking. The state is currently ranked 20th in reported human trafficking cases according to the National Human Trafficking Resource Center. Lawmakers built on past efforts to address the trafficking problem by passing legislation that will make Missourians better aware of the resources available to assist victims of trafficking. The bill requires the Department of Public Safety to develop a poster to promote the use of the National Human Trafficking Resource Center Hotline. The posters will be displayed at common areas where human trafficking can occur such as hotels or motels that have been cited for prostitution, and train and bus stations.
- **“Raise the Age” (SB 793)** – The General Assembly approved legislation meant to reduce the number of young people in the adult correctional system; to make Missouri safer; and to save taxpayer dollars. The bill will raise the age at which suspects are automatically prosecuted as adults from 17 to 18. Missouri is one of only five states that currently automatically try 17-year-olds in adult courts. The bill will require children under the age of 18 to be prosecuted in juvenile courts unless the child is certified as an adult or is being prosecuted for a traffic or curfew violation. To help afford

the increased load on the juvenile justice system, the bill creates the "Juvenile Justice Preservation Fund" as well as a surcharge of \$3.50 to be assessed on all civil actions filed in Missouri.

- **Strengthening Safe at Home Protections (HB 1461)** - Lawmakers took an important step forward to protect victims of domestic violence and sexual assault. They approved legislation to strengthen the protections provided by the Safe at Home Program. The program was started in Missouri in 2007 as a way to help victims of domestic violence, sexual assault, rape, human trafficking, and stalking. Through the program, the Secretary of State's office provides a designated substitute address for survivors to use when creating new public records, as well as the option to securely forward mail to their confidential addresses. These services keep survivors' confidential addresses out of the hands of their assailants. The legislation approved this year will provide an added layer of protection when relocating a child who is part of the Safe at Home program. It will help ensure that a parent relocating a child could satisfy reporting requirements, while maintaining address confidentiality.
- **Treatment Courts (HB 2562)** – The Missouri General Assembly gave final approval to a bill meant to improve the quality and consistency of treatment courts throughout Missouri. The bill will establish treatment court divisions, which include, but are not limited to, Adult Treatment Court, Driving While Intoxicated (DWI) Court, Family Treatment Court, Juvenile Treatment Court, and Veterans Treatment Court. The legislation will give local courts the authority and flexibility to set their own policies for treatment courts. The bill specifies that the Treatment Courts Coordinating Commission will establish standards and practices for the treatment courts.
- **Developing Missouri's Workforce (HB 1465)** - The legislature approved a measure this year to help ensure Missouri's system of higher education is working to meet the state's workforce and education needs. The bill will give institutions greater flexibility to offer degrees that meet the needs of their local communities and businesses. The legislation will in effect allow community colleges to offer four-year baccalaureate degrees in certain programs. The bill is meant to address the lack of skilled workers in certain fields in various parts of the state. It allows a community college to apply to the Coordinating Board of Higher Education to offer a four-year degree in a field that is underemployed. Community colleges will need to meet several standards in order to be approved and will need to show there are no other available options like collaborating with a four-year university.
- **Enhancing Real World Learning Opportunities (HB 1665)** - Lawmakers approved a bill this session that will provide young people with greater access to highly-skilled, experienced instructors in areas such as health care, manufacturing, and engineering. The legislation will allow the State Board of Education to issue a visiting scholar certificate as a license to teach in public schools. The visiting scholar certificate will allow a professional to be employed in a content area in which the individual has an academic degree or professional experience. The visiting scholar will only teach classes for ninth grade or higher and the hiring school district must verify that the individual will be employed as part of a business-education partnership initiative designed to build career pathways for students.
- **STEM Career Awareness (SBs 894 & 921)** – Legislation approved this year requires the state Department of Economic Development to establish the STEM Career Awareness Program to increase awareness of careers in science, technology, engineering, and mathematics for students in grades six through eight. The program will involve online-based curriculum that would raise awareness of more than eighty different careers and technologies, and would be organized around the concept of solving societal or human-centered problems. The bill will require the department to have the program in place by the 2019-20 school year. The bill also requires the Department of Elementary and Secondary Education to develop a high school graduation policy that allows a student to fulfill a unit of academic credit with a district-approved computer science course for any math, science, or practical arts unit required for high school graduation.

- **Missouri Course Access and Virtual School Program (HB 1606 and SBs 603, 576 & 898) -** Missouri students will soon have expanded access to the courses they need to further their education. The Missouri General Assembly approved legislation this session that would create the Missouri Course Access Program to expand the state's virtual school offerings to all K-12 students. The bill expands the existing Missouri Virtual Instruction Program (MOVIP), which was established in 2007 to offer online courses to public, private, and home-school students. The program allows students to take advanced courses that are not currently offered by their local school districts. The bill requires the Department of Elementary and Secondary Education to review the online courses to ensure they meet state standards.
- **Government Worker Protection Act (HB 1413) –** A piece of legislation approved by the General Assembly will provide additional protections to government workers and make public unions more accountable. The bill would not apply to police officers, firefighters, corrections workers and other public emergency personnel. One part of the bill commonly referred to as “paycheck protection” would give workers the freedom to decide whether they want to opt in each year to pay dues and support political activity. The bill would also ensure public union members have a say in who represents them by requiring efficient and cost-effective elections every three years. The bill would also limit contracts to three years and require public unions to meet the same financial transparency standards as private sector unions.
- **Prevailing Wage Reform (HBs 1729, 1621 & 1436) –** The legislature approved legislation that would reform the state's prevailing wage law to ensure taxpayers are getting better value when their tax dollars are spent on public works projects. The bill modifies the prevailing wage hourly rate so that if fewer than 1,000 hours are reported, workers will be paid the public works minimum wage, which is based on the actual county average wage for all workers reported by the Department of Labor. If more than 1,000 hours are reported, the workers will be paid the prevailing wage rate, which will be a weighted average wage. The bill will also exempt projects under \$75,000 from the prevailing wage law. The legislation is meant to save colleges, schools, counties, and cities millions and stimulate more building by making taxpayer dollars go further.
- **Supporting Veterans (SB 573) –** A wide-ranging piece of legislation approved by the General Assembly will provide additional support to members of the National Guard and the state's veterans. The bill will allow members of the National Guard or reserve components of the Armed Forces of the United States to deduct their military income from their Missouri adjusted gross income to determine their Missouri taxable income. The bill will also allow private nonpublic employers to grant preference to a veteran, the spouse of a disabled veteran with a service-connected disability, or a surviving spouse of a deceased veteran, when hiring and promoting employees. The goal of the change is to make it clear that private businesses can give preferential hiring treatment to veterans in the same way that both the state and federal government do. Another provision of the bill will require all state buildings to display the POW/MIA flag. Other provisions of the bill will allow veteran-owned businesses to participate in the Missouri Linked Deposit Program; extend the period of assistance in the Show-Me Heroes Program from one year to five years following discharge; establish the Veterans' Bill of Rights; and establish the Missouri Military Community Reinvestment Program Act to assist military communities in supporting and sustaining their installations.
- **Benevolent Tax Credits (HBs 1288, 1377 & 2050) -**The legislature gave approval this session to legislation that will continue and expand support for pregnancy resource centers and maternity homes in Missouri. The bill would extend the sunset for tax credits that help encourage investment in these programs that benefit many of Missouri's most vulnerable citizens. The legislation will extend the sunset for both credits to 2024 and increase the maximum amount of each credit that is available annually. Currently there are \$2.5 million in credits available each year for pregnancy resource centers, and \$2.5 million in credits each year for maternity homes. The bill will increase the cap on each credit to \$3.5 million annually. The legislation also reauthorizes the Donated Food tax credit until 2026 and expands the credit to include food or cash donated to local soup kitchens or homeless shelters. Additionally, it would create a Diaper Bank tax credit that authorizes a tax credit

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in the amount of fifty percent of a contribution to a diaper bank. The bill also extends the Champion for Children Tax Credit for child advocacy centers until 2025, and creates a tax credit for taxpayers who make a contribution to organizations that provide funding for the unmet health, hunger, and hygiene needs of children in school.

For more information on current legislation, you can always visit www.house.mo.gov.

Thanks for the opportunity to serve you in the legislature. As always, feel free to email or call my office with your ideas, thoughts or concerns.

Warm regards,

Donna