

JOHN BARDGETT & ASSOCIATES

Governmental & Public Relations Consultants

MEMORANDUM

TO: All Clients

FROM: John E. Bardgett, Jr.

DATE: July 16, 2013

RE: Mid-summer Legislative Update

We hope that your summer is going well and you had a good Fourth of July! As you know, the 2013 legislative session ended on May 17th. Numerous interim committees have been formed, but only a few have begun meeting. We wanted to give you a brief update on Governor Nixon's actions on bills that were Truly Agreed To and Finally Passed by the legislature, budget restrictions, and other items of interest in the political/legislative arena.

Deadline for Governor

July 14th was the deadline for Governor Nixon to sign or veto legislation passed by the General Assembly. If no action is taken by the Governor on a bill sent to him by the legislature, the bill automatically becomes law.

Vetoed Legislation

Governor Nixon has vetoed a total of 29 bills out of 163 bills that were Truly Agreed To and Finally Passed by the General Assembly. All bills passed by the General Assembly and signed by Governor Nixon will go into effect August 28, 2013 unless the bills contain an emergency clause or a specific effective date. The following bills were vetoed by Governor Nixon:

1. [HB 110](#) - Changes the laws regarding elections, including writs of election, vacancies in statewide offices, elimination of certain primary elections in third class cities, the date of the presidential primary, and the automatic recount of votes.
2. [HB 253](#) - Establishes the Broad-Based Tax Relief Act of 2013 that reduces the tax on corporate business income and business income for sole proprietors, partners, and shareholders in S-corporations.
3. [HB 278](#) - Prohibits any state or local governmental entity; public building, park, or school; or public setting or place from banning or restricting the practice, mention, celebration, or discussion of any federal holiday.

4. [HB 301](#) - Adds the prosecutor of the jurisdiction into which a sexually violent predator is to be released to the list of those who must be served the offender's petition for conditional release over specified objections.
5. [HB 329](#) - Changes the laws regarding certain residential real estate loan violations.
6. [HB 339](#) - Requires uninsured motorists to forfeit recovery of noneconomic damages under certain circumstances.
7. [HB 436](#) - Establishes the Second Amendment Preservation Act which rejects all federal acts that infringe on a Missouri citizen's rights under the Second Amendment of the United States Constitution.
8. [HB 611](#) - Changes the laws regarding unemployment compensation.
9. [HB 650](#) - Designates the Land Survey Program headquarters as the "Robert E. Myers Building."
10. [HB 1035](#) - Changes the laws regarding amended property tax rate filings with the Office of the State Auditor and repeals the expiration date of the provision requiring certain counties and the City of St. Louis to deduct a percentage of property taxes collections for assessment costs.
11. [SB 9](#) - Modifies provisions relating to agriculture.
12. [SB 28](#) - Redefines "misconduct" and "good cause" for the purposes of disqualification from unemployment benefits.
13. [SB 29](#) - Requires authorization for certain labor unions to use dues and fees to make political contributions and requires consent for withholding earnings from paychecks.
14. [SB 34](#) - Requires the Division of Workers' Compensation to develop and maintain a workers' compensation claims database.
15. [SB 43](#) - Modifies various provisions relating to transportation.
16. [SB 51](#) - Modifies provisions relating to the regulation of motor vehicles.
17. [SB 60](#) - Modifies the law regarding the accreditation requirements for reinsurance companies and specifies when insurers can take credit or reduce liability due to reinsurance.
18. [SB 73](#) - Modifies provisions relating to the judicial process, including provisions relating to motorcycle brake lights.
19. [SB 77](#) - Allows for certain neighborhood youth development programs to be exempt from child care licensing requirements.
20. [SB 110](#) - Establishes procedures to follow in child custody and visitation cases for military personnel.
21. [SB 129](#) - Establishes the Volunteer Health Services Act to allow for licensed health care professionals to provide volunteer services for a sponsoring organization.
22. [SB 170](#) - Allows members of public governmental bodies to cast roll call votes in a meeting if the member is participating via videoconferencing.

23. [SB 182](#) - Eliminates state and local use taxes on motor vehicle sales and modifies state and local sales taxes on such purchases.
24. [SB 224](#) - Modifies provisions relating to crimes and law enforcement officers and agencies.
25. [SB 240](#) - Modifies provisions relating to ratemaking for gas corporations.
26. [SB 265](#) - Prohibits the state and political subdivisions from implementing policies affecting property rights and from entering into certain relationships with organizations.
27. [SB 267](#) - Specifies how courts may rule in contractual disputes involving the law of other countries and jurisdictional issues involving other countries.
28. [SB 342](#) - Modifies provisions relating to agriculture.
29. [SB 350](#) - Eliminates the renter's portion of the Senior Citizens Property Tax Credit and creates the Missouri Senior Services Protection Fund

The list of bills signed or vetoed by Governor Nixon can be viewed by clicking on the following link: <http://governor.mo.gov/actions/index.php>

Potential Veto Override on Tax Reduction Legislation

On June 5th, Governor Nixon vetoed the large income tax cut bill, [HB 253](#), passed by the General Assembly due to the hefty expected burden to the State's revenue and the potential harm on State services. The Governor's veto message also refers to a major flaw in the bill that would eliminate the current Prescription Drug Sales Tax Exemption for seniors. The fate of the bill is expected to be revisited during the Annual Veto Session--when the Republican super majorities in both the Missouri House of Representatives and the Missouri Senate will have the opportunity to override the veto. As Missourians wait to see the outcome of [HB 253](#), Governor Nixon will be traveling the state to enforce his justification that the bill is bad for Missouri.

In order to override the Governor's veto, the House of Representatives will have to obtain a 2/3 majority vote, which equates to 109 votes. [HB 253](#) originally passed the House of Representatives by a vote of 103-51. Capitol observers believe the Republicans will not be able to secure the full 109 votes by September 11th. However, a coalition of business organizations, titled Grow Missouri, has recently been formed to push for the override. This organization is being financially supported by Missouri billionaire Rex Sinquefeld.

If the House of Representatives were able to secure 109 votes to override the veto, the bill will move to the Missouri Senate for consideration where it will have to secure 23 votes to fulfill the override requirements.

State Budget Review

The Missouri State Budget was signed by the Governor just shy of the new fiscal year with \$400 million of "withholds." The Governor has committed to releasing the \$400 million of "withholds" if the General Assembly does not override his veto on [HB 253](#). The "withholds" include funding for education, tourism, a variety of health related services and programs, Amtrak, and a pay increase for state employees. The outcome

on the \$400 million in funding will be determined by the General Assembly's action during the Annual Veto Session.

The \$25 billion budget went into effect on July 1, 2013 and will end on June 30, 2014. The various state departments are required to submit their Fiscal Year 2014 requests to the Office of Administration, Division of Budget & Planning by October 1, 2013. The Governor's administration will review the requests and begin preparing the Governor's Recommended Fiscal Year 2015 Budget, which will be published during his State of the State Address next year.

We will update you with any new information related to both the current 2014 Fiscal Year Budget and the new 2015 Fiscal Year Budget as it becomes available.

Big Election Year

Missouri House of Representatives

- All 163 seats of the House of Representatives are up for election in 2014.
- Republicans currently hold a 109 - 54 majority.

Missouri Senate

- One-half, or 17, of the 34 Missouri Senators are up for election in 2014.

Dates of Interest

- August 28, 2013 — Legislation enacted during the 2013 legislative session becomes effective unless the legislation carried a specific date or emergency clause
- September 11, 2013 — Annual Veto Session in Jefferson City
- December 1, 2013 — First day to pre-file legislation for the 2014 legislative session
- January 8, 2014 — First day of the 2014 legislative session

Thank You

Thank you for the opportunity to represent your interests before the General Assembly in Jefferson City. We strive to bring you the latest information on all legislative activities that are important to you, and we hope that we have done that to your satisfaction. Please do not hesitate to call or email me or one of my associates if we can be of assistance in answering any questions or providing additional information.

Have a great rest of the summer!

John

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