



Government Advocacy Update

PROTECTING YOUR INTERESTS

March 27, 2017

In order to be responsive to the latest legislative developments, the MSCPA continually monitors proposed legislation. The society utilizes both professional and grassroots lobbyists to ensure the CPA profession has a voice in Jefferson City. By keeping members informed, the MSCPA is empowering you to contribute to the legislative process.

Update provided by Chuck Pierce, CPA, MSCPA government relations consultant

Session Update

Last week was the legislative spring break, which marks the session's halfway point. It provides a good time to recap activity thus far and determine the outlook for the rest of the session.

Though the Legislature was not in session, Gov. Greitens' Committee for Simple, Fair and Low Taxes met in Jefferson City on Monday. The primary purposes of the meeting were to organize the group into subcommittees and to set dates and locations for the public hearings called for in the governor's executive order. Hearings have been scheduled for May 17, May 22, June 2 and June 7. They will take place in Maryville, Hannibal, Springfield and Cape Girardeau. The dates will be matched with the cities at a future meeting based on availability of suitable locations. The committee also adopted a motion to request information from the Departments of Economic Development and Revenue.

The following subcommittees were established:

- **Tax Credits and Incentives:** Former Senator Jason Crowell, Senator Hegeman, Senator Koenig, and Representative Rehder;
- **Income Tax Policy:** Former Senator Lamping and Senator Koenig; and
- **Sales and Consumption Taxes:** Senator Kraus and Will Scharf, the governor's policy director.

Representatives Barnes and Haahr were absent and will be added to subcommittees soon.

At the session's halfway point, it is appropriate to look at the progress of legislation. Typically, a reasonable measure of a bill's chance of success is whether it is out of its chamber of origin. This means a House bill would have passed the House and be waiting on a vote in the Senate, and a Senate bill would have passed the Senate and be waiting on action in the House. As of now, 136 bills have moved out of their house of origin. The Legislature normally passes between 200 and 250 bills in a session. So, while this number would indicate the Legislature may be behind that pace, there are factors that make the statistic a little misleading this year.

One factor impacting the bill count is the progress of the budget. The budget is made up of 15 to 20 individual House bills. In many years, all of these bills would be out of the House by spring break. But, the budget has been delayed this year because it was submitted later than usual and is very tight, which can lead to controversy. The House is expected to take up the budget when they return this week. Because passage of the budget is required by the Constitution, the passage of these bills is assured.

The other factor affecting the bill count is the type of legislation that has passed. As we have reported almost every week, the Legislature has been working on complex, controversial legislation that is the priority of the governor and legislative leaders. Passing this type of legislation requires the use of more floor time for debate. In most years, this type of legislation is spread throughout the session, and frequently gets passed at the end. If the Legislature passes this time-consuming legislation at the

beginning, the remaining items should move at a much faster pace in the second half of the session. However, there are factors that could cause this to not be the case.

One item that could significantly impact the pace of legislation is the mood of the Senate. Thus far, the Senate has been able to work through controversial measures without having to break filibusters. If future issues result in a filibuster and the corresponding procedural vote to break it (called “moving the previous question”), the Senate could experience a shutdown as it has in some past sessions. If this happens, even the most routine legislation can be slowed to a snail’s pace. While a lot of the controversial legislation has passed, the Senate still has some tough issues to tackle. The budget, prevailing wage, banning the City of St. Louis minimum wage, and eliminating the circuit breaker for renters, all need votes in the Senate. Any of these issues have the potential to result in a filibuster that can only be broken by a procedural vote.

Another factor that may influence the pace of legislation in the second half is the working relationship between the Senate and House. Thus far, both chambers have been working on common priorities. However, there are differences in priorities for the two chambers and in the details of how to achieve some common priorities. As this type of legislation works its way through the process, the fact that the Senate takes more time than the House to resolve disputes creates tension between the two chambers. In this environment, the House may be forced by time to accept the Senate’s view on issues or watch them die as time expires in the session.

While the first half of the session has been marked by some huge successes for leadership and the governor’s priorities, much work remains. There are a large number of bills that are a priority of other groups that have yet to receive floor time. For example, [SB 395](#) and [HB 1060](#) make changes to the Uniform Accountancy Act that were introduced at the request of the MSCPA. These bills are not controversial, and they are likely to pass by large margins, if they can make it through the process before time runs out. Whether that will happen, remains to be seen.

Legislation of Interest

To view the full list of the MSCPA’s high-priority bills, [click here](#). The following bills being tracked by the society have made it out of their house of origin by spring break:

[HB 51](#)—*Sponsor: Andrews (R-1)*—Authorizes county commissions that oversee cemetery funds to utilize investment managers.

[HB 60](#)—*Sponsor: Alferman (R-61)*—Changes the laws regarding lobbyist expenditures.

[HB 91](#)—*Sponsor: Rehder (R-148)*—Specifies that a person cannot be required to become or refrain from becoming a member of or paying dues to a labor organization as a condition or continuation of employment.

[HB 95](#)—*Sponsor: McGaugh (R-39)*—Modifies provisions relating to the collateral source rule and provides that parties may introduce evidence of the actual cost, rather than the value, of the medical care rendered.

[HB 169](#)—*Sponsor: Curtman (R-109)*—Requires a committee of the house of representatives to review and issue reports on the audits of any state agency or department conducted by the state auditor’s office.

[HB 288](#)—*Sponsor: Fitzpatrick (R-158)*—Modifies the duration of unemployment compensation, modifies the method to pay federal advances, and raises the fund trigger causing contribution rate reductions.

[HB 289](#)—*Sponsor: Fitzpatrick (R-158)*—Specifies that beginning January 1, 2018, certain shareholders of S corporations may elect to reject workers’ compensation insurance coverage.

[HB 337](#)—*Sponsor: Shull (R-16)*—Establishes procedures relating to financial accreditation standards for insurance companies.

[HB 460](#)—*Sponsor: Kolkmeier (R-53)*—Modifies provisions relating to civil proceedings.

[HB 461](#)—*Sponsor: Kolkmeier (R-53)*—Amends Supreme Court Rules 52.05 and 52.06 for the purpose of severing parties who are misjoined in a civil action.

[HB 462](#)—*Sponsor: Kolkmeyer (R-53)*—Amends Supreme Court Rule 52.12 for the purpose of prohibiting a person from intervening in a tort action if jurisdiction and venue cannot be established independently.

[HB 655](#)—*Sponsor: Engler (R-116)*—Extends the expiration date of tax credits for donations to pregnancy centers.

[HB 703](#)—*Sponsor: Crawford (R-129)*—Changes the laws regarding tax payments so that a collector may use discretion in determining the date of unreadable postmarks on mailed tax payments.

[HB 1194](#)—*Sponsor: Chipman (R-120)*—Prohibits political subdivisions from requiring a minimum wage that exceeds the requirements of state law.

[SB 10](#)—*Sponsor: Wasson (R-20)*—Modifies the Missouri Works program by creating tax incentives for creating jobs in areas of distress.

[SB 16](#)—*Sponsor: Kraus (R-8)*—Exempts delivery charges from sales and use taxes.

[SB 31](#)—*Sponsor: Emery (R-31)*—Modifies provisions relating to the collateral source rule and provides that parties may introduce evidence of the actual cost, rather than the value, of the medical care rendered.

[SB 43](#)—*Sponsor: Romine (R-3)*—Modifies the law relating to unlawful discrimination.

[SB 45](#)—*Sponsor: Romine (R-3)*—Modifies laws regarding arbitration agreements between employers and at-will employees.

[SB 66](#)—*Sponsor: Schatz (R-26)*—Modifies provisions of law relating to workers' compensation.

[SB 113](#)—*Sponsor: Schatz (R-26)*—Modifies the law relating to discharge of employees under workers' compensation statutes.

[SB 125](#)—*Sponsor: Wasson (R-20)*—Provides acceptable ways a professional licensee may submit payment, application, requests for educational time extensions or notify his or her licensing board.

[SB 248](#)—*Sponsor: Kraus (R-8)*—Repeals the expiration date for tax refund contributions to the Organ Donor Program Fund.

[SB 326](#)—*Sponsor: Kraus (R-8)*—Creates new provisions relating to low-profit limited liability corporations.

[SB 332](#)—*Sponsor: Hegeman (R-12)*—Allows tax collectors to use their discretion regarding timeliness of payment when taxes paid by postal mail do not have clear postmarks.

For Additional Information

This *Government Advocacy Update* e-newsletter will continue weekly through the legislative session. If you have any questions on the MSCPA's government advocacy efforts, please visit the [Web page](#), or contact [Dena Hull](#) at (800) 264-7966, ext. 105.

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