

Government Advocacy Update



Protecting Your Interests

July 21, 2017

In order to be responsive to the latest legislative developments, MOCPA 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, MOCPA is empowering you to contribute to the legislative process.

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

Session Update

July 14 was the deadline for Governor Greitens to act on all legislation passed by the Legislature. By that date, he could sign the bill making it law, veto the bill, or do nothing and allow the bill to become law without his signature. Most of the high-priority bills MOCPA was tracking were either signed or allowed to become law. The following provides a highlight of the more noteworthy bills that made it and summarizes recent items of interest to MOCPA members.

July started with the much-anticipated release of the report from the Governor's Committee on Simple, Fair and Low Taxes. Given the committee's name and the breadth of testimony heard, most expected the committee to issue a report containing recommendations for broad changes to Missouri's tax system. A draft version of the report was leaked to the media, and it contained just that. However, the final version only recommended changes to two of the larger tax credit programs—Low Income Housing, and Historic. All of the recommended changes in the report require legislation. In the past, revising these programs have proven to be very controversial, and the Legislature has not been able to develop a consensus or pass a bill. It remains to be seen if having the weight of a governor's committee recommendation can get changes to the finish line. [Click here](#) to read the report.

Governor Greitens has ordered all state departments to undertake a comprehensive review of their regulations. Departments are currently holding hearings to take public comment and are also accepting written comments. MOCPA plans to provide written comments to the two agencies of greatest interest to its members—the [Missouri State Board of Accountancy](#) and the [Department of Revenue](#). The governor has also established a website to solicit comments directly. MOCPA members who wish to comment on the rules of any agency can do so by going to that agency's website.

Legislation of Interest

The governor acted on three bills of special interest to MOCPA members—signing two and vetoing one. For a complete list of MOCPA's priority bills, [click here](#).

As covered in a previous report, Governor Greitens signed [SB 395](#), which was priority legislation for MOCPA. It brought Missouri Accountancy law into alignment with the Uniform Accountancy Act with respect to the definition of attest and firm mobility. This legislation was sponsored by MOCPA member Senator Denny Hoskins, CPA. It was carried in the House by Representative Chrissy Sommer, who is married to MOCPA member Mike Sommer. Thanks to both of them and to all MOCPA members who contacted their legislator or the governor to voice their support.

[SB 16](#) is the legislation to restore clarity to the taxability of freight. In 2016, the Supreme Court issued an opinion in a sales tax case that created confusion on the taxability of freight charges. The Missouri Department of Revenue sent a notice to all taxpayers with the intent of clarifying, but it instead confused many. SB 16 takes the law back to what it was prior to the Supreme Court decision, but it is unclear how the Department of Revenue will handle the interim sales. Technically, the Supreme Court case is law of the land from the time the Department notified taxpayers in July 2016. The new definition is effective Aug. 28, 2017. If taxpayers continued to follow the old law (pre-court decision), which is similar to the new law, they may have some exposure if they are audited.

The other bill of special note to MOCPA was one vetoed by the governor. [HCB 3](#) would have allowed a sweep of certain special revenue funds to pay for home health visits for seniors. MOCPA member Senator Denny Hoskins was able to make sure that licensing funds for all professions were exempt. However, as it's written, the bill would have allowed the Commissioner of Administration to transfer up to \$34 million from the non-protected funds without direct appropriation authority. Governor Greitens cited this and other constitutional concerns in his veto. Because this was used to fund specific services, if the veto is not overridden those services will likely not be provided.

The following summarizes the governor's action on other legislation MOCPA was tracking:

[HB 34](#), changing the laws regarding the Uniform Commercial Code to adopt the current version of Articles 1 and 7, was signed by the governor.

[HB 51](#), authorizing county commissions that are trustees for a cemetery trust fund to utilize investment managers to invest, reinvest, and manage fund assets, was signed by the governor.

[HB 93](#), changing the laws regarding job training, was signed by the governor.

[HB 151](#), requiring the Department of Revenue to issue REAL ID compliant driver's licenses unless the applicant requests a license that is not compliant with the REAL ID Act, was signed by the governor.

[HB 153](#), modifying provisions relating to expert witnesses, was signed by the governor during session. This bill was a high priority for MOCPA and was reported on at that time.

[HB 292](#), changing the laws regarding powers of banks, was signed by the governor. Primarily an omnibus banking bill, it also contains a new provision allowing for the establishment of family trust companies.

[HB 339](#), establishing requirements for time-limited demands to settle a tort claim and modifying provisions regarding settlement agreements where the plaintiff limits execution of a judgment to certain assets, was signed by the governor.

[HB 1194](#), prohibiting political subdivisions from requiring a minimum wage that exceeds the requirements of state law, was filed without signature by the governor and will become law. This bill basically repeals the local minimum wage enacted by the City of St. Louis. It was very controversial during the session and took a controversial path to becoming law.

[SB 31](#), modifying provisions relating to the collateral source rule and providing that parties may introduce evidence of the actual cost, rather than the value, of the medical care rendered, was signed by the governor.

[SB 43](#), modifying the law relating to unlawful discrimination, was signed by the governor.

[SB 49](#), modifying several provisions relating to local sales taxes, was signed by the governor. This bill establishes the authority for voters to expand the Zoo tax for St. Louis, caps the amount of sales tax levies for local government, and extends the safe harbor period for the DOR to provide notice of the IBM Mastercard sales tax case.

[SB 66](#), modifying provisions of law relating to workers, compensation, was signed by the governor.

[SB 111](#), modifying various provisions regarding bonds issued by a political subdivision, qualifications for candidates of public office, limited liability companies who own property in certain cities, public administrators, and guardianships, was signed by the governor. This was an omnibus local government bill. Of particular note to MOCPA members is the change to require a public sale of municipal bonds in certain circumstances.

[SB 112](#), modifying provisions relating to political subdivisions, was signed by the governor. This was also a local government omnibus bill. MOCPA members dealing with local government reporting should be aware that this bill created fines for political subdivisions that fail to file their financial statements with the State Auditor.

[SB 128](#), modifying various provisions regarding criminal offenses, the Attorney General, the Department of Revenue, child support and custody, trusts and estates, guardianships, judges, court surcharges, court reporter fees, and victims of crime, was vetoed by the governor. This bill was heavily amended in the last week of the session. The governor cited concerns over the constitutionality of the changes in his veto message.

[SB 248](#), repealing the expiration date for tax refund contributions to the Organ Donor Program Fund, was signed by the governor.

[SB 501](#), modifying provisions relating to health care, was signed by the governor. This bill is an omnibus health and licensing bill. Of note to MOCPA members is a provision that allows licensing boards to accept communication and payment in various methods. It is permissive, not directory.

For Additional Information

If you have any questions on MOCPA's government advocacy efforts, please visit the [website](#) or contact [Dena Hull](#) at (800) 264-7966, ext. 105. Further *Government Advocacy Updates* will be sent as needed.

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