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**MISSOURI LEGISLATIVE UPDATE – MARCH 27, 2009**

TO: American Institute of Architects of Missouri

**HEARINGS OF INTEREST – WEEK OF MARCH 30**

**Tuesday, March 31**

House Job Creation and Economic Development, 5:00 p.m., HR 7

HB 1005 Imposes a sunset on all tax credits and requires all tax credits issued to be redeemed within three years of issuance.

House Infrastructure and Transportation, 5:00 p.m., HR 3

HJR 32 Proposes a constitutional amendment authorizing the General Assembly to issue bonds to fund higher education building improvements, landscaping and land purchases.

**Wednesday, April 1**

Senate Education, 1:00 p.m., Senate Lounge

SB 390 Changes amounts of financial assistance awards for the Access Missouri Financial Assistance Program.

**SENATE CALENDAR  
BILLS FOR PERFECTION  
CONSENT CALENDAR**

#1 SB 296 Authorizes APELSLA board to conduct disciplinary hearings for licensees convicted of certain felonies.

**ENVIRONMENTALLY SUSTAINABLE PRACTICES:** Sen. Jeff Smith (D-St. Louis) presented SB 430 to the Senate Agriculture Committee on Wednesday, March 25. Testifying in support of the bill were Joe Brinkmann, Trivers Associates, and a member of AIA Missouri; Mid West Energy Alliance; Missouri Retailers Association, Missouri Home Builders Association, Department of Natural Resources and AIA Missouri. The Missouri Forest Products Association testified in opposition. Their representative stated they oppose the LEED standards because they prohibit use of certain lumber, specifically oak. Mr. Brinkmann went back on record to advise committee members that he is doing a LEED certified project now and is using red oak floors from a plant in West Plains. DNR also noted that there is oak in their Platinum LEED building. Sen. Mayer asked for further information on LEED criteria. We expect the committee could vote on this bill next week, April 1.

**COMPLETE STREETS VOTED “DO PASS”:** The House Transportation Committee voted HB 642 “do pass” on March 24. HB 642 requires the Department of Transportation to provide

full consideration for bicyclists, pedestrians, disabled persons and transit users in its plans, programs and projects.

**ACCESS MISSOURI SCHOLARSHIPS:** During Wednesday nights' floor debate, Sen. Kurt Shaefer (R-Columbia) attempted to amend language to redistribute state scholarship money onto an education bill sponsored by Senate President Pro Tem Charlie Shields. The amendment would shift Access Missouri scholarship money now going to the students at private colleges to those at public institutions. Shields ruled the amendment out of order.

Shaefer is committed to trying to amend this language onto anything and everything remotely appropriate. Shields says he opposes the Access Missouri changes outright. He says they violate an agreement Missouri's public universities made two years ago on the distribution of that money.

**SB 390**, sponsored by Sen. Shaefer, modifies the financial assistance amounts provided through the Access Missouri Financial Assistance Program. The financial assistance amounts currently in existence will be applicable only for the 2009-2010 academic year. In addition, this act adds new financial assistance amounts for the 2010-2011 academic year and beyond. A student attending an institution classified as part of the public two-year sector will be eligible for \$1,000 maximum and \$300 minimum. A student attending an institution classified as part of the public four-year sector, including Linn State Technical College, or approved private institutions will be eligible for \$2,850 maximum and \$1,500 minimum.

**DESIGN BUILD FOR SCHOOLS:** Early Wednesday morning, the House Committee on Elementary and Secondary Education held a hearing on HB 596 by Rep. Chris Molendorp (R-Belton). The sponsor noted that this bill passed with 113 votes last year. He also noted that MODOT and OA are authorized to use this delivery process. Rep. Sara Lampe (D-Springfield) asked Molendorp if he would consider MODOT's internal expertise in using design build similar to that of a school district. Molendorp admitted that is not the case. Testifying in support were Jeff Kyle, Ph.D., superintendent of the Raymore-Peculiar School District; David Shelton, a Kansas architect and member of AIA of Kansas City and DBIA; and the executive director of DBI of Missouri. J.C. Rearden and Dwight Dickinson both testified in opposition to HB 596. Bruce Wylie of MSPE also went on the record in opposition to the bill. AIA Missouri members Larry Brandhorst and Susan Pruchnicki were present for the hearing. The hearing was very short as the House went into session at 9 a.m. that morning. Both sides were given 15 minutes each to present their testimony. It was very hurried. The committee took no action.

Representatives asked many good questions. They were very interested in the difference between design build and design, bid, build. Representatives Joe Aull (D-Marshall), Jonas Hughes (D-Kansas City), and Sara Lampe (D-Springfield) voiced concern with this delivery process for schools and will vote in opposition to the bill. Follow up from other committee members after the hearing: 1) Rep. Luke Scavuzzio (D-Harrisonville) is a co-sponsor of the bill; 2) Rep. Scott Dieckhaus (R-Washington) is supportive from a local control perspective; 3) Rep. Gayle Kingery (R-Poplar Bluff) will support as his district is currently involved in a design build project (?) and he says it is very successful; 4) Rep. Mike Thomson (R-Maryville) is undecided

and feels both sides have good points; and 5) Dwight Dickinson is working with Rep. Rick Stream (R-Kirkwood).

The Senate worked late Wednesday night into the wee hours on Thursday morning. They debated an education bill from 6 p.m. (Wednesday) until 2:30 a.m. (Thursday). I remained vigilant during this debate as 32 amendments were offered to the bill. My fear was that Sen. David Pearce (R-Warrensburg) would offer the design build language to this bill. He did not attempt this amendment to the Shields' bill!

**TAX CREDIT REFORM DEBATED IN SENATE:** Wednesday, in the Senate, we saw the players emerge on both sides of the tax credit overhaul debate. As expected, Senators Lager, Bartle, and Green came out fierce in their opposition to the current system. Senators Griesheimer, Cunningham and Smith are in favor of preserving tax credits.

Based on today's Senate maneuvers, it does not appear that resolution of this issue will occur soon. Senate supporters of the tax credits offered few solid facts in favor of their programs. Opponents opined that tax credits assumed a number one position in the budget in that they were removed from general revenue prior to any funding was given to education, highways, or social programs. Senator Bartle also talked of the number of lobbyists employed by groups who took advantage of the tax credits and Senator Green called their usage "an abuse of government".

Senator Griesheimer offered Amendment 2 to strip part of the substitute that calls for authorization to be subject to appropriations. No action was taken on this amendment. The Speaker of the House has stated he will not support any effort to move authorization of tax credits from DED to the Appropriations process, so we should not be too concerned about this part of the substitute.

Belabored debate will likely push any compromise into the final days of session.

Next Tuesday the Senate will take up tax credit reform again.

Here are the main changes to Senator Lager's new substitute to SB 45:

- Increases the proposed historic preservation tax credit cap from the originally proposed \$50 million to \$75 million;
- Clarifies that changes will not prevent taxpayers from using tax credits for qualified equity investments which have been approved by the Department of Economic Development.;
- Modifies wording for unauthorized tax credits to expire at the end of the year if not used;
- Removes the population based limitation on historic preservation tax credits contained in the previous substitute that would have limited historic preservation credits in St. Louis City and County to the percentage of state population;
- Projects already approved would not be a part of the cap and able to attain tax credits higher than the law allowed provided they met certain criteria;

- Limits the total amount of Missouri Development Finance Board Infrastructure tax credit to \$25 million annually with approval by the MDFB.

**CAMPUS BUILDINGS GET FUNDING:** Legislation that could lead to the construction of \$700 million worth of projects — including more than \$81 million of construction in Columbia — began moving yesterday in the Missouri House, and a bipartisan group of lawmakers was confident of its final passage.

If approved by the General Assembly and adopted by voters, HJR 32, a massive bond issue would finance construction and renovation projects at four- and two-year higher education institutions around the state.

House Speaker Ron Richard, R-Joplin, sent the legislation to a committee chaired by Rep. Steve Hobbs, R-Mexico, who said he plans to give it a hearing on Tuesday. “We are going to move it,” he said, predicting the Republican majority would support it. Rep. Chris Kelly, D-Columbia and co-sponsor of the measure, said it could be the biggest jobs bill of the session. House Majority Leader Steven Tilley, R-Perryville, is a co-sponsor.

Projects that would be funded with the bond sale proceeds include new buildings, renovations and additions, as well as the purchase of engineering equipment. The bond issue also would pick up funding of nearly \$108 million in suspended projects that were to be financed from the sale of student loan assets. Kelly said by selling bonds now, the state would take advantage of low interest rates as well as a federal offer to pick up 35 percent of the state’s interest costs. The state now pays about \$45 million a year to retire bonds sold in the 1980s.

As those bonds would be paid off in 2011, Kelly said, the new bond issue would be funded with the same stream of revenue. Since the bonds obligate the state, voters would have to approve the plan in a statewide election.

**MISSOURI COUNTY PLANNING ACT:** The Senate gave first round approval to SB 5, the Missouri County Planning Act, on March 25. This bill remains on the Senate calendar pending final approval. This has been a thorny issue, particularly in rural areas where many counties have minimal zoning rules. This legislation applies only to those counties with more than \$200 million in assessed property values. Under the bill, county commissions could appoint planning commissions that would hold public hearings before recommending a plan that could cover regulations, zoning rules and the review of land plat applications. Voters would then need to approve it.

**UNIFORMED PLANNED COMMUNITY ACT:** On Tuesday, March 24, the Senate Committee on General Laws heard SB 230, sponsored by Senator Joan Bray (D-St. Louis). This act adopts the Uniform Planned Community Act substantially in conformance to the act drafted and approved by the National Conference of Commissioners on Uniform State Laws in 1980. The act contains comprehensive provisions for creating, governing, managing, and terminating planned community developments. Testifying in support were Todd Billy, attorney at law, who stated enactment of SB 230 would provide additional financial stability through new means allowing for limited lien status and access to loans. Ed Barno, Lake Shores Estate Association

representative, testified SB 230 will put much needed structure in place for planned communities that are in need of specific guidelines, specifically relating to restrictive covenants and architectural control issues. Harry Styron, representing the MO Home Owners Association, stated the language in SB 230 relating to sewer and water services is critical. Currently, local home owner associations struggle with documenting and processing community public services, i.e. sewer and water, which communities require. No Opposing testimony was offered. The Committee took no action on the bill.

**STATE FALSE CLAIMS ACT:** On March 26, the Governmental Accountability and Fiscal Oversight Committee held a hearing on SCS SB 568 sponsored by Sen. Rupp (R-Wentzville). This bill establishes the Recovery Accountability and Transparency Board and creates a state false claims act. The sponsor noted that this bill establishes a joint state committee to oversee the stimulus dollars flowing to the state to ensure appropriate standards are being met on the use of these funds to prevent fraud and abuse. He noted that provisions of the bill mirror the federal False Claims act.

No one testified in support. Testifying in opposition was the State Auditor's Office. They believed that the bill is a duplication of effort on audits. They noted that they are working with the federal government on the single audit standards which is a federal requirement for receipt of the stimulus funds. They noted that they are willing to work with the sponsor on the bill. The sponsor believed that he had removed any duplicative audit language. The committee took no action.

