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**MISSOURI END OF SESSION REPORT - MAY 19, 2009**

TO: American Institute of Architects of Missouri

**A LOOK AT THE 2009 LEGISLATIVE SESSION**

Missouri lawmakers wrapped up the legislative session a few minutes before their constitutionally required quitting time of 6:00 p.m. on Friday, May 15. None too soon! 1773 bills were introduced and 160 bills were sent to the Governor as truly agreed and finally passed. Of the 160 bills, 18 were budget bills and several others of the 160 were omnibus bills including language from other introduced bills. This was a very contentious session with much infighting between the House and Senate, each accusing the other of not producing enough substantive legislation.

**TRULY AGREED AND FINALLY PASSED BILLS**

**OMNIBUS LICENSING BILL COMES THROUGH: CCS HCS SB 296** started out a “little ole consent bill”, but grew when it hit the House. This bill, as truly agreed and finally passed, changes the laws regarding the licensure of many professions. The bill authorizes the Board for Architects, Professional Engineers, Professional Land Surveyors and Landscape Architects within the department to conduct disciplinary hearings for licensees convicted of certain felonies and bypassing the administrative hearing process. Changes to other professional licensees include endowed care cemeteries, occupational therapy, board of chiropractic examiners, dental board, physician assistants, pharmacies and pharmacists, marital and family therapists, etc.

**LAWMAKERS CAP TAX CREDITS FOR PRESERVING HISTORIC BUILDINGS:**

Legislators passed a bill (**SS SCS HCS HB 191**) that expands some business tax incentives while imposing a first ever cap on tax credits for the renovation of historic buildings. Missouri’s historic preservation tax credit is one of the state’s largest tax credit programs and the most expensive one related directly to economic development. During the fiscal year that ended June 30, \$140.7 million worth of historic preservation tax credits were claimed. During the first nine months of the current year, \$157 million worth of the credits have been redeemed. In the end, the bill awaiting action from Governor Jay Nixon will limit the total amount of historic preservation tax credits to \$140 million annually. However, projects costing less than \$275,000 would be exempt from the cap. Another restriction to this program sets a limit of \$250,000 in credits for restoring historic homes – per project.

Other provisions in this bill expand the cap on Quality Jobs tax credits to \$80 million from the current \$60 million per year, expand the land assemblage cap from \$10 million to \$20 million per year, increases the cap for Qualified Equity Investments under the New Markets Tax Credit Program, increases the income threshold for Neighborhood Assistance Act, limits the Missouri Development Finance Board Tax Credit to \$10 million per project, increases the BUILD program for \$15 million to \$25 million, as well as enhances tax credit reporting requirements.

Another provision in HB 191 would eliminate the double taxation that occurs when Missouri companies are required to pay both income tax and the franchise tax. The franchise tax is eliminated on small and medium sized companies with assets of \$10 million or less.

**DESIGN BUILD FOR HIGHWAY PROJECTS: SS SCS HCS HB 359** allows the Highways and Transportation Commission to enter into design-build highway projects, but the total number of contracts cannot exceed 2% of the total number of state highway system projects listed in Commission's approved project list in any fiscal year. Two projects, one in St. Louis and one in Kansas City, were specifically approved in HB 359.

**FIRE SPRINKLER SYSTEM EXEMPTION: SS SCS HB 103** requires certain homebuilders to offer to any purchaser the option to install or equip his or her dwelling or residence with a fire sprinkler system at the purchaser's cost. The purchaser would not be required by any code, ordinance, rule, regulation, order, or resolution by any county or other political subdivision to purchase a sprinkler system. This same provision passed in **CCS SB 513**.

**JOINT COMMITTEE ON MISSOURI'S ENERGY FUTURE: CCS SS SCS HB 734** establishes the Joint Committee on Missouri's Energy Future which consists of five members from the Senate and five members from the House. The committee will prepare and submit a report to the General Assembly by 12/31/2009 on Missouri's energy needs and methods to reduce energy costs over the next 25 years.

**MISSOURI ENERGY EFFICIENCY INVESTMENT ACT: SS SCS SB 376** requires the Public Service Commission (PSC) to allow electric corporations to implement and recover costs related to commission-approved energy efficiency programs aimed at customers. This bill also requires any appliance purchased with state funds to have earned the Energy Star rating.

**OPERATING BUDGET:** Missouri's \$23 billion operating budget for the fiscal year that starts July 1 avoids deep cuts by relying on about \$785 million from the federal economic stimulus/stabilization package.

**OVERSIGHT OF PUBLIC FUNDS: SCS HB 544** establishes the Joint Committee on Recovery Accountability and Transparency to coordinate and conduct oversight of moneys received by the state and any political subdivision from the federal American Recovery and Reinvestment Act of 2009.

**FEDERAL STIMULUS FUNDS APPROPRIATED IN HB 21: \$2.655 billion** was appropriated through HB 21. These funds require specific criteria before federal approval is granted. Recipients of these funds are: Department of Elementary and Secondary Education for programs and technology, Department of Higher Education for programs and technology, Department of Transportation for infrastructure investment including all modes of transportation, Office of Administration for technology and research, Department of Agriculture for grants, Department of Natural Resources for promotion of energy, renewable energy and energy efficiency, drinking water systems, reduce water pollution, air pollution and underground storage tanks; Department of Conservation, Department of Economic Development for the arts,

community block grants, technology, employment and economic development grants and other programs, Department of Labor and Industrial Relations for workplace safety and unemployment insurance programs; Department of Public Safety for grant programs, Department of Health and Senior Services for grants to public health care agencies, immunization projects, chronic disease prevention and management, health care associated infections, WIC, and nutrition; and the Department of Social Services for community block grants, and homeless projects.

**FEDERAL STABILIZATION FUNDS APPROPRIATED IN HB 22: \$459 million and \$141 million** was appropriated FY 2009/2010 and FY 2010/2011 in HB 22. Capital improvement projects were funded at the University of Missouri for Mid Missouri Mental Health Center and Ellis Fischel Cancer Center, at community colleges for maintenance and repairs, vocational educational facilities for maintenance and repair, and division of facilities management, design and construction for maintenance and repairs of facilities statewide. Other one-time expenditure projects include the Department of Transportation for highway access to the Missouri State Penitentiary Site, St. Louis public transit system (Metro), Department of Natural Resources for state parks' improvements, Office of Administration for a statewide interoperable communications system, Department of Social Services for in-home services rate increases, and other stalled state university capital improvement projects.

**CAPITAL IMPROVEMENTS AND LEASING OVERSIGHT:** President Pro Tem Charlie Shields sent a letter to the co-chairs of the Jt. Committee on Capitol Improvements and Leasing Oversight asking their review of capital improvement projects potentially funded by federal budget stabilization dollars for the following items:

- New construction and renovation of facilities;
- Maintenance and repair;
- Public Transportation;
- Technology infrastructure; and
- Other appropriate uses of one-time funding.

**RETENTION OF BUILDING CODES:** A county, fire protection district or municipality is only required to keep only one copy of building or technical codes in the clerk's office, reduced from requirement of three copies.

**SECOND STATE CAPITOL COMMISSION: HCS HB 480** requires the Missouri State Capitol Commission to evaluate and approve capitol studies and improvement, expansion, renovation, and restoration projects to be paid for with funds appropriated from the Commission Fund. The bill also establishes the 19-member Missouri Board on Geographic Names.

**MISSOURI HEALTHY WORKPLACE RECOGNITION PROGRAM: HCS SB 147** requires the Governor's Council on Physical Fitness and Health to establish and develop the Missouri Healthy Workplace Recognition Program to recognize employers with more than 50 employees for excellence in promoting health, wellness and prevention.

## **BILLS THAT MISSOURI LAWMAKERS DID NOT PASS**

**DESIGN BUILD FOR SCHOOLS:** Attempts to piggyback the legislation allowing the design-build delivery system to be used in Missouri public schools was soundly defeated the last week of session. Several board members visited the Capitol to meet face to face with legislators active on the education bill, SB 291. There is little doubt that the tremendous grassroots support of AIA Missouri's position that was generated by more than 200 architects emailing and calling from 19 architectural firms across the state was noticed by the legislators. This support combined with AIA Missouri's visits on Tuesday to the Capitol made the difference. A much slimmer version of SB 291 was worked out and passed the last two days of the session. Design Build for Schools was not in the revised version of SB 291.

**COLLEGE BONDS:** The House passed **HJR 32**, a \$700 million bond package for the top construction needs at public colleges and universities. A Senate committee expanded the plan to \$800 million before it ran into opposition on the Senate floor.

**COLLEGE SCHOLARSHIPS:** A change to the Access Missouri scholarship program shifting the distribution of need-based scholarships between students in private colleges to those in public institutions failed this session. This measure was supported by Governor Nixon.

**ENVIROMENTALLY SUSTAINABLE PRACTICES: SB 430** ran into opposition before leaving the Senate. The perception that building to the LEED standard is too expensive eventually killed this bill. This language was discussed in the House and plans to amend it to moving legislation did not take place.

**COMPLETE STREETS:** This language, **HB 642**, was added to multiple omnibus transportation bills but ultimately did not make it across the finish line.

**MISSOURI COUNTY PLANNING ACT:** The omnibus county/political subdivision bill ran into trouble the last week of session and was soundly defeated in the last two days. A recording fee provision opposed by the Missouri Realtor Association and publication of county records provision opposed by the Missouri Press Association took the entire bill down. Unfortunately the Missouri County Planning Act was part of this omnibus bill.

**NUCLEAR PLANT:** Ameren UE's sought legislation that would allow it to bill electric customers during construction for the financing costs of building a second reactor at its Callaway nuclear plant.

**FAIR TAX:** The House approved a proposed constitutional amendment to eliminate the state individual and corporate income tax and replace it with a higher sales tax. But the Senate never took action on what supporters dub the "fair tax".

**SECRET BALLOTS: HJR 37** was a one page bill that would ask Missouri voters to decide on whether to add the following sentence to the state's constitution, "That the right of individuals to vote by secret ballot is fundamental and thus, where state or federal law requires public elections for public office or public votes on initiatives or referenda, or where state or federal law requires designations or authorizations of employee representation, the right of individuals to vote by secret ballot shall be guaranteed." Senate Democrats filibustered this resolution.

