

April 16, 2018

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

The biggest news of the week was the release of the House Investigative Committee's Report on Governor Greitens. Because the committee had conducted all hearings in closed sessions, there had been much speculation on the contents of the report. That speculation ended when the report was released on Wednesday. It had an immediate impact on legislative activities, and it will likely continue to do so for the remaining five weeks of session.

In response to the governor's indictment earlier this year, the House established a special committee to investigate the governor and report its findings to the Legislature. The committee had full power to subpoena witnesses and take sworn testimony. The committee report pulls no punches and produced the details of the testimony it received. The report contains enough salacious details of the affair that it warranted a content warning on its cover. The report created a variety of reactions from legislators with several calling on the governor to resign or for the House to begin impeachment proceedings. The report and its fallout will undoubtedly impact the flow of legislation for the rest of the session.

The legislative schedule has already been affected. Both chambers had previously planned to be out today. The House adjourned Wednesday before the report was released and did not convene on Thursday. The Senate adjourned at 3 p.m. on Wednesday and convened on Thursday. While the Senators did approve several bills Thursday, the floor debate was frequently commandeered by individual Senators to make statements about the report. This ultimately slowed down the debate enough that the Senate adjourned. So, in essence, very little legislative activity has occurred since the report was released on Wednesday.

The path forward on this is varied and complex. The House investigative committee's only power is to investigate. Any action of impeachment would require a resolution voted on by the entire House. If approved, the Senate would be charged with appointing a panel of seven judges to try the case. This is a lengthy process and is unlikely to be completed in five weeks. The House committee is continuing its investigation into other allegations. The timing of any future reports is uncertain. The governor's criminal trial is scheduled for May 14—four days before the end of the session. The results of either of these could impact the action the Legislature takes.

The final month of the session is historically the most active. The budget and most of the legislation is approved in that time frame. For these reasons, the Speaker of the House has recommended the Legislature consider passing a resolution calling itself into a special session. It would take three-fourths of the members of each chamber to make that happen. With many members calling on the House to begin impeachment proceedings now, it is not clear if there would be sufficient votes to make that happen.

The debate on what the next steps should be will occupy a significant amount of time this week. Once a course is selected, the debate and legislative activity necessary to make it happen will take time away from other legislation. If floor time does diminish, the likelihood of resolving complex issues, like tax reform, diminishes as well.

Tax reform got a boost last week before the committee report impacted the schedule. The Senate amended and passed **SB 674** by a vote of 28 to 3. This bill began as technical fix to the definition of total state revenue that is calculated to determine when tax reductions occur. The bill was amended to adopt two of the components of the broader tax reform bills. It removes the optional three factor multi-state allocation formula and reduces the corporate tax rate. The net of this change is estimated to be a tax cut for most Missouri corporations, with the revenue generated from the change to single sales factor being enough to offset the cost.

The other two tax reform bills, **SB 617** and **HB 2540**, have very complex fiscal notes and make complex changes to the tax code. Given those challenges and the likelihood that debate time gets harder to come by, it looks like the bill to watch at this point is **SB 674**. It is much smaller and less complicated. If you have clients or your company is impacted by the multi-state allocation formula, this bill is worthy of your time to review.

Legislation of Interest

To view the complete list of high-priority bills MOCPA is currently tracking, along with their most recent activity and current status, [click here](#). The following bill had significant activity this week:

HB 1831, changing the laws regarding the sales tax holiday that occurs in early August by adding an exemption for disposable diapers, was voted do pass by the Senate Ways and Means Committee.

SB 582, requiring school districts to report breaches of data containing personal information of students to parents, the Department of Elementary and Secondary Education, and the State Auditor, passed the Senate 33 to 0.

SB 629, modifying provisions relating to tax increment financing, was voted do pass by the House Rules Legislative Oversight Committee.

SB 644, creating new provisions relating to unclaimed property, was voted do pass by the House Rules Administrative Oversight Committee.

SB 843, modifying the composition, duties or repealing outright certain administrative boards, commissions, and councils, passed the Senate 30 to 2.

For Additional Information

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

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