

Government Advocacy Update



Protecting Your Interests

May 19, 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

The 2017 regular session came to an end at 6 p.m. on May 12. It ended on a good note for MOCPA with the passage of SB 395, which makes changes to Missouri's Uniform Accountancy Act. The bill passed late on the second-to-last day, which turned out to be a good thing because the last day was marked by controversy over several high-profile pieces of legislation. This controversy resulted in tensions that disrupted the flow of legislation at the end.

The big news by far for MOCPA was the passage of SB 395, sponsored by MOCPA member Denny Hoskins, CPA, and handled in the House by Representative Sommer. It was fortunate the bill moved out of the Senate early and had a favorable hearing in the House. The bill was far down on the calendar, so it was not clear if the House would get to it before time ran out. The House took the bill up at 11 p.m. on Thursday. In one of the last votes before session adjourned that night, our bill passed 138 to 2. This bill was heavily supported at every stage in the process, including by House leadership who worked to make sure it could get to a vote before time ran out.

Thanks to all of you who contacted your representative or senator, and especially to those who contacted House leadership. The member support made all the difference in getting this bill to the finish line. Special thanks to Senator Hoskins and Representative Sommer who made this a priority of their legislation for the session. The bill now goes to the governor for signature.

All session we have been reporting on the tensions and slow pace of the Senate. That trend escalated on the last day. As the Senate started on Friday, several key pieces of legislation remained on its calendar. All of it was expected to garner a filibuster and would require the use of the PQ to break the filibuster. When this happens, tensions escalate, and the Senate grinds to a halt. The Senate made it through most of the day, but when the House failed to adopt Senator Chappelle-Nadal's priority legislation, she began a filibuster on unrelated legislation. Rather than simply allowing debate to stall, the Senate went to the bill to ban the City of St. Louis from establishing its own minimum wage. As expected, the Senate made a series of PQ motions to allow the bill to come to a vote. The debate was raucous, and the motions were somewhat disorganized. The bill ultimately passed, but the Senate was done at that point, so they adjourned at 5:30 p.m. —30 minutes ahead of their constitutional deadline.

The end-of-session tension in the Senate transferred to the House. The House had spent the whole week, including the last day, methodically working through legislation, passing what they could without having to go back to the Senate. After the Senate finished the minimum wage legislation, it went back to the House for a final vote. The House took up the bill in the final minutes of the session. With limited debate, they passed the bill but failed to adopt the emergency clause. This means the City of St. Louis will have a higher minimum wage from now until the legislation becomes effective. Assuming the governor signs the bill, it would be effective August 28.

The final action of the House for the session was on HCB 3. This bill was a budget balancing measure, which when originally passed by the House would have eliminated the Circuit Breaker Credit for renters and used the proceeds to fund services for disabled seniors. The Senate was opposed to this measure and amended the bill to reinstate the Circuit Breaker and fund the services by sweeping funds from special revenue funds. Senator Hoskins amended the bill to protect all licensing funds. The bill as amended would have let the Commissioner of Administration sweep other funds at the end of the fiscal year to cover the \$34 million needed to fund the services. This approach was strongly opposed by the House Budget chair. However, the Senate was unwilling to budge.

Because a compromise couldn't be reached between the House and Senate, the House Budget chair agreed to vote the Senate plan even though he opposed it and voted no. On the last vote of the session, the House passed HCB 3 by one vote. While this balances the budget and funds the services, it establishes a couple of troubling precedents. It grants the Commissioner of Administration discretion in sweeping special revenue funds without a specific appropriation. It also establishes a new fund for these services but only grants a one-time funding source. Funding these services in the next budget will require a more permanent source of revenue.

This marks the end of the regular session. However, there is much speculation that the governor may call a special session to follow-up on some items the Legislature didn't complete. Potential subjects rumored to be on the list are: tort reform; prescription drug monitoring; ethics reform; contribution limits; and economic development incentives for new smelter facility in Southeast Missouri.

Legislation of Interest

The following is the legislation MOCPA has been tracking that passed. Some bills are new to the list because several that we were tracking didn't pass and got added as amendments to bills that did. Unless otherwise noted, the bills are subject to being signed or vetoed by the governor.

[HB 34](#)—changes the laws regarding the Uniform Commercial Code to adopt the current version of Articles 1 and 7. This bill has been signed by the governor.

[HB 51](#)—authorizes county commissions that are trustees for a cemetery trust fund to utilize investment managers to invest, reinvest, and manage fund assets.

[HB 93](#)—changes the laws regarding the Missouri Works Training Program.

[HB 151](#)—requires 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.

[HB 153](#)—modifies provisions relating to expert witnesses. This bill has been signed by the governor.

[HB 292](#)—changes the laws regarding powers of banks. This bill was amended to include the establishment of family trust companies.

[HB 339](#)—establishes requirements for time-limited demands to settle a tort claim and modifies provisions regarding settlement agreements where the plaintiff limits execution of a judgment to certain assets.

[HB 1194](#)—prohibits political subdivisions from requiring a minimum wage that exceeds the requirements of state law.

[HCB 3](#)—modifies provisions relating to funds for vulnerable senior citizens.

[SB 16](#)—exempts delivery charges from sales and use taxes.

[SB 19](#)—creates new provisions of law relating to labor organizations. This bill has been signed by the governor.

[SB 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](#)—modifies the law relating to unlawful discrimination.

[SB 49](#)—modifies several provisions relating to local sales taxes. This bill includes enabling legislation for a sales tax for the St. Louis Zoo and an extension of the hold on implementing provisions relating to the IBM Mastercard

sales tax decision from last year.

[SB 66](#)—modifies provisions of law relating to workers' compensation.

[SB 111](#)—modifies provisions relating to public administrators and allows a guardian to execute a preneed contract. This bill was heavily amended. It now contains a provision that requires political subdivisions to issue debt in a competitive process in certain circumstances.

[SB 112](#)—modifies provisions relating to political subdivisions. This became an omnibus local government bill. It includes enabling language for several cities to establish additional sales taxes. It also includes a provision that establishes financial penalties for local governments who do not timely file their financial statements with the state auditor. It allows county collectors to use discretion in applying penalties to tax payments if the post mark is omitted or illegible.

[SB 128](#)—provides that Division Twelve of the Sixteenth Judicial Circuit shall sit at the City of Independence. This became a judicial omnibus bill. It also includes the provision to extend the hold on implementing a provision related to the IBM Mastercard sales tax decision from last year.

[SB 248](#)—repeals the expiration date for tax refund contributions to the Organ Donor Program Fund.

[SB 395](#)—modifies provisions relating to the practice of public accounting.

[SB 501](#)—modifies provisions relating to health care. This is a health care omnibus bill, but it also includes a provision that requires the Division of Professional Registration to accept various electronic or paper forms of communications and allows licensees to submit various electronic forms of payment.

[SCR 26](#)—authorizes independent certified public accountant or certified public accounting firm to conduct an audit of state auditor's office.

For Additional Information

This is the last regular *Government Advocacy Update* of the session. Look for future updates to be issued on an as-needed basis. The governor has until July 14 to sign or veto legislation. An update will be provided after that to report on the final status of bills for the 2017 session.

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.

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