



LEGISLATIVE BULLETIN

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LEAGUE OF WOMEN VOTERS OF MISSOURI

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ENERGY/CLIMATE CHANGE – Win Colwill

STOP passage of these Concurrent Resolutions in the Senate.

SCR 46 (Stouffer) and **HCR 46** (Funderburk) **both urge Congress not to enact “cap-and-trade” legislation.** The House resolution also calls on Congress to reject EPA’s “endangerment finding” that certain greenhouse gases (including carbon dioxide) threaten the public health and welfare. The purpose of these resolutions is to stop Federal action to reduce global warming emissions from motor vehicles and large industrial sources. Passage of climate/energy legislation is a top LWVUS priority. **LWVMO strongly opposes both of these resolutions.**

On March 23, the House passed **HCR 46** and sent it to the Senate. **SCR 46** is already on the Senate calendar and could be brought up for a vote any day. *Please call your state senator and urge him/her to vote against any resolution that asks Congress to halt federal action to curb global warming emissions.* Tell them you support strong federal legislation to limit global warming emissions and provide incentives for new cleaner energy technologies. This will mean new business and jobs for Missourians, healthier air, greater energy independence and energy security. Call today!

Ask your legislators to support these energy efficiency bills:

HB 1667 (McNeil) which requires new state-funded buildings and major renovations to meet high performance, green building standards, passed out of committee. The companion bill, **SB 952** (Wright-Jones) was heard March 3 by the Senate Agriculture Committee. State buildings designed to achieve LEED Silver or 2 Green Globes certification are energy-, water- and resource-efficient, produce fewer emissions, and provide a healthier work environment.

SB 745 (Bray) requires new construction statewide to meet minimum energy efficiency standards, a measure advocated by the League since 1979 to conserve energy, reduce utility bills, and delay the need for new power plants. Missouri is one of only 8 states without a statewide energy code; the state’s few *local* energy codes lack uniformity and many areas have none. **SB 745** was heard by the Senate Commerce committee March 2.

MENTAL HEALTH/HEALTH – Lael Von Holt

Legislative progress has been maintained this week, but not advanced. Budget matters have taken center stage, along with national health reform. The impact is unclear at this time. Late developments, including litigation by a number of states and a return to the House for a second vote, have slowed the reform process in Congress.

SB 918 (Schaeffer) establishes provisions regarding pharmacy benefit managers. This bill refers to switching medications, including psychotropics, notification of patients, and protection of the doctor/patient relationship. Physicians would be able to override medication restrictions by pharmacy benefit managers who practice “fail first” protocols. This is a supportable bill in the best interests of a patient. Committee hearing took place March 16.

SB 618 (Rupp) requires health insurance carriers to provide coverage for the diagnosis and treatment of autism spectrum disorders. This bill passed the Senate and is now in the House, with no committee hearing yet. League has consistently supported health insurance for the autism disorders. There’s one section of concern in **SB 618** regarding health insurance across state lines, allowing Missouri residents to purchase policies not bound by our state laws. Coverage of autism could be excluded. Hopefully that language can be removed in the House (here’s where a call to your state representative might help).

HB 1311 & 1341 (Scharnhorst) is the House companion requiring similar insurance coverage for the autism spectrum disorders as in **SB 518**. Benefits are not as generous as in the Senate version, but the bill is supportable. This bill passed the House and is now in the Senate Small Business, Insurance and Industry Committee.

HB 1398 (Roorda) prohibits denial of mental health care and treatment for children alleged to be victims of abuse and neglect. League has requested that Speaker Richard assign this bill to committee.

DEATH PENALTY – Sydell Shayer

HB 1683 & SB 930, both would establish a moratorium on the death penalty and a concurrent Death Penalty Commission. **SB 930** has been assigned to the Judiciary and Civil and Criminal Jurisprudence Committee. **HB 1683** has not been assigned to a committee. Neither is on the calendar.

ELECTION ISSUES – from partner State Voices

The matrix below includes most bills dealing with election law and ballot initiative process reform, regardless of how advanced they may be. It is unclear whether any of these bills will gain much traction in the final few weeks of the session but they are included here for your information. The second chart includes bills viewed as threats, a step in the wrong direction, also for your information.

ELECTION REFORM BILLS WHICH HAVE SOME TRACTION

<u>HB 1497</u>	<u>Smith, Jason</u> (R-150)	Statewide Elected Official Vacancy Elections Requires special elections to fill vacancies in the offices of Lieutenant Governor, Attorney General, Secretary of State, State Auditor, State Treasurer, and United States Senator	Passed House, Sent to Senate & First Read on 2.15.10
<u>HB 1541</u>	<u>Ruzicka, Don</u> (R-132)	Municipal Primary Election Reform (Consent Bill) Allows certain cities to eliminate the primary election for mayor and council members (LR# 4220L.01I)	Passed out of H Rules on 3.17.10
<u>HJR 63</u>	<u>Parson, Michael L.</u> (R-133)	Initiative Petition Reform (Increases Signature Threshold) Proposes a constitutional amendment changing the requirements for submitting an initiative petition that proposes an amendment to the Missouri Constitution by increasing the number of signatures required from 8% to 15% of registered voters (LR# 3912L.01I)	HCS HJR 63 Passed General Laws 3.1610
<u>HJR 76</u>	<u>Dethrow, Mike</u> (R-153)	Constitutional Amendment Process Reform for Conservation Issues Proposes a constitutional amendment requiring four-sevenths majority for any initiative concerning bird, fish, game, wildlife, or forestry resources (LR# 3938L.01I)	Reported to the Senate and First Read (S) on 03/04/2010
<u>SB 579</u>	<u>Greisheimer, John</u> (R-26)	Allows the city council of a third class city to submit a question to the voters as an advisory referendum	3/17/2010 - S Informal Calendar S Bills for Perfection--SB 579- Shields, with SCS
<u>SB 589</u>	<u>Nodler, Gary</u> (R-32)	Prohibits Felons from Holding Public Office Bars felons from holding public office	2/25/2010 - S Informal Calendar S Bills for Perfection--SB 579- Shields, with SCS

ELECTION REFORM THREATS TO MONITOR

<u>SB 818</u>	<u>Lembke, Jim (R-1)</u>	Ballot Initiative Process Reform Allows barcoding on petition pages, allows correction of misplaced signatories, allows signatures taken by circulators not registered with SOS office, criminalizes decline to sign if “intentional or malicious” misinformation takes place, changes the time frame for summaries to be delivered to AG & Auditor, shortens notice of acceptance/rejection as to form from 30 to 15 days	3/17/2010 - S Informal Calendar S Bills for Perfection--SB 818- Lembke, with SCS (pending)
<u>HJR 64</u>	<u>Cox, Stanley (R-118)</u>	Government Issued Photo ID Requirement Proposes a constitutional amendment changing the laws regarding elections and voting rights (LR# 4082L.02I)	H. Elections Hearing completed on 2.16.10
<u>HJR 63</u>	<u>Parson, Michael L. (R-133)</u>	Ballot Initiative Process Reform (Increases Signature Threshold) Proposes a constitutional amendment changing the requirements for submitting an initiative petition that proposes an amendment to the Missouri Constitution by increasing the number of signatures required from 8% to 15% of registered voters (LR# 3912L.01I)	HCS HJR 63 Passed General Laws 3.1610

MEGA TAX – from the Missouri Budget Project

League is still actively opposing the so called “FairTax”, **SJR 29** and **HJR 56**. If passed, these constitutional amendments would go to a vote of the people; they do not need to be signed (or can not be vetoed) by the Governor. Included in this bulletin is a paper “Apples and Oranges” outlining the revenue structures in states that do not have a personal income tax. These states are often used by proponents of the MEGA TAX for comparison to what Missouri’s new tax structure would be like. However, as it is clear in this fact sheet, none of the states rely on a sales tax entirely for their state general revenue funding, and many retain corporate income tax or have another tax in place that Missouri would not have access to under **SJR 29/HJR 56**. Please read the Missouri Budget Project report “Apples to Oranges” included at the end of this bulletin. More information on this topic can be had by going to the website of the Missouri Budget Project.

TABOR – from the Missouri Budget Project

HJR 87 did pass the Missouri House. There is no indication that the Senate is taking the TABOR issue seriously this year. However, a fact sheet on the issue will be coming soon, just in case.

DISCUSSION OF MEGA TAX PROPOSAL – from Missouri Budget Project

Apples to Oranges: Making Comparisons Between Missouri’s Expanded Sales Tax Proposal and Other States is Unsound

Tom Kruckemeyer, Chief Economist and Amy Blouin, Executive Director

Proponents of the proposal to eliminate Missouri’s current state general revenue structure and replace it with a greatly expanded sales tax often compare their plan to states that do not have an individual income tax. However, this comparison is inherently flawed for two main reasons:

1. No state currently relies entirely on sales tax to fund its entire state budget; and
2. No state currently taxes services as broadly as Missouri would under the proposal.

The following describes these two critical distinctions.

Tax Systems of Other States

Proponents of Senate Joint Resolution 29 (SJR 29) and House Joint Resolution 56 (HJR 56) often compare their proposed expanded sales tax with states that do not have a personal income tax. However, all of the states that are used as comparisons rely on several taxes that would not be available to Missouri under either SJR29 or HJR 56. These taxes are critical to funding the state infrastructure and services within these states in absence of a personal income tax and would not be possible for Missouri.

Eight states currently do not levy an individual income tax including Alaska, Florida, Nevada, South Dakota, Texas, Washington and Wyoming. Many of these states still collect corporate incomes taxes, which would be eliminated under Missouri’s proposal. Several of the states have natural resources and tourism infrastructures not in place in Missouri that generate significant tax revenues, and at least one state has a state property tax. The table below summarizes the tax revenues available in those states that would not be available in Missouri under SJR29/HJR56.

State	Tax	As a Percent of State Tax Revenue
Alaska	Corporate Income Tax	12 percent
	Oil Severance Fees	64.4 percent ²
Florida	Corporate Income Tax	8 percent ³
Nevada	Business License Fees	7.4 percent
	Gaming Tax Revenue	15 percent ⁴

South Dakota	Bank Franchise Tax, Contractors Excise Tax, and Taxes on Insurance Companies	15.73 percent combined ⁵
Texas	Oil Severance Fees	9 percent
Washington	State Property Tax	10.4 percent ⁶
	Business & Occupation Tax	19.5 percent ⁷
Wyoming	Coal Severance Taxes	41 percent

The Washington state business and occupation tax is the state's second largest tax source. Rather than a traditional corporate income tax, this tax is assessed on gross receipts of companies. Two other states, Alaska and Florida, continue to assess a more traditional corporate income tax. Alaska and Wyoming have the additional luxury of significant natural resources to which they can apply severance fees. What is common among these states is that none of them rely entirely upon a sales tax, as Missouri would under SJR29 & HJR56.

Two additional states which are often used for comparison to Missouri's tax proposal are **New Hampshire and Tennessee. Both of these states continue to assess corporate income taxes**, which would not be available in Missouri, should SJR29 & HJR 56 pass the legislature and be approved by voters. **The corporate income tax in Tennessee made up about 9 percent of the state's tax revenue in 2008.⁸ In addition, both states continue to collect personal income taxes.** While New Hampshire maintains a relatively low personal income tax rate, Tennessee taxes income from interest and dividends.

State Sales Tax on Services

Another significant distinction of the new tax structure under SJR 29/HJR 56 is that it would apply the increased sales tax rate in Missouri to nearly every service that families purchase, including those that families need to maintain healthy lives and to be able to work. Specifically, SJR 29 and HJR 56 would tax access to health care services. Everything from a doctor's visit co-payment to a prescription medication to family counseling would be subject to the new tax. In addition, services that are fundamental for families to be able to work, specifically child care, would be taxed. No other state currently taxes services this broadly.⁹

The data presented above indicates that state tax structures are complex. No state currently operates under a tax structure like that proposed in SJR 29 & HJR 56. No other state relies solely on sales taxes and no other state taxes services as broadly as what Missouri would. Comparisons to these states should not be made.