



LEGISLATIVE BULLETIN

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LEAGUE OF WOMEN VOTERS OF MISSOURI

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DON'T FORGET TO REGISTER FOR LEGISLATIVE DAY, MARCH 15

LWVMO Legislative Day is March 15 and we want YOU to be there! Begin in HR 2 in the Capitol basement with breakfast and coffee at 8:30 and quick briefings by League members on issues of the day. You may also get to view a committee in progress before 10:00 when both the House and Senate go into session. Besides observing the session, we hope you will visit your legislator's office or catch them on the side gallery to express your interest in our priority issues. A box lunch will be available in HR 2 as you have time and often there are more committee hearings at the lunch break. In the afternoon we hope to provide a guided tour of the Capitol building, explaining the various artwork, the museum, and points of interest. The cost for breakfast, lunch, and materials is \$20, payable to Anna at the office or on the 15th. Reservations should be called in (in the office or to Nancy at 660-263-5725) by 3 p.m. on March 11 to get a count for meals.

PHOTO ID UPDATE

SJR 2 and SB 3 (Stouffer) were given final approval in the Senate and are now in the House. The two measures would create a photo identification requirement in order to vote in Missouri. Details were explained in an earlier bulletin. There is NOT an option for the Governor to veto a proposed constitutional amendment.

A similar law was adopted in 2006, but the Missouri Supreme Court determined it conflicted with the right to vote provided for in Missouri's Constitution. Therefore, voters must adopt **SJR 2** in order for the new identification requirements to take place in state law. The constitutional amendment, if approved by the House, would be voted on no later than November 2012.

EARNINGS TAXES – Sydell Shayer

Because Proposition A, the statewide vote on eliminating the earnings tax passed, Kansas City and St. Louis City will have to hold an election on April 5, 2011, to see if each of these cities want to retain the earnings tax. The League of Women Voters of Missouri opposed Prop A. for many reasons. The primary reason was SL and KC would lose almost 40 % of general revenue with no viable means of raising an equivalent amount of money. Therefore the LWVMO now supports passage of the propositions to retain the earnings tax in Missouri's two largest cities. The Leagues in these cities are vigorously advocating for support of their ballot issues. In St. Louis the ballot language is "*Shall the earnings tax of 1%, imposed by the City of St. Louis, be continued for a period of five (5) years commencing January 1 immediately following the date of this election?*" The Kansas City ballot language is identical except the name of the city is changed.

HB 26 (Jones 63) **Correction** This bill was listed with an incorrect number in a previous bulletin. This bill changes voter authorization on city earnings taxes from every five years to every twenty years. A hearing took place in the Ways and Means Committee on March 3, 2011. LWVMO supports **HB 26**.

TAXES

HJR 11 (Burlison) is a proposed constitutional amendment that puts limits on state appropriations. It is known as TABOR, which stands for Taxpayer Bill of Rights (sadly, a name that makes a bad thing sound good). It prohibits appropriations in any fiscal year from exceeding the total state general revenue appropriations from the previous year by more than the appropriations growth limit. The appropriations growth limit is the sum of the annual rate of inflation and the annual percentage change in Missouri's population. It spells out exactly how excess money will be allocated. New or increased taxes or fees, if receiving voter approval, will be exempt for the year in which they are passed.

LWVMO opposes **HJR 11** (just as it opposed the Hancock amendment which limits income) because it limits expenditures. League believes in a flexible tax system, one that can be adjusted to finance necessary government services. **HJR 11** would severely limit revenue available to provide state services that the League supports. Also, fiscal policy should be in state statutes rather than in the Constitution. The bill was heard in the House Committee on Downsizing State Government on February 17, 2011, with no further hearings scheduled.

SJR 20 (Lager) a constitutional amendment similar to **HJR 11**, would limit state general revenue (GR) appropriations to the amount of appropriations made in the previous fiscal year increased by an inflationary growth factor. In any fiscal year where net GR collections exceed total state GR appropriations by more than one percent of total GR appropriations, the excess over one percent will be transferred to the newly created cash operating reserve fund to be used to reduce all state income tax rates. It has been referred to the Senate Ways and Means Committee. LWVMO opposes **SJR 20**.

SJR 8 (Kraus) is a proposed constitutional amendment, which would require refunds to taxpayers in any fiscal year that total state revenues increase over the preceding fiscal year's total state revenue by five percent or more. In any such fiscal year, 9 ½ % of the excess total state revenues will be refunded to income taxpayers on a pro rata basis. The bill is a limitation on income rather than appropriations but would have the same effect as **HJR11** and **SJR 20**. This bill has been referred to the Senate Ways and Means Committee. LWVMO opposes **SJR 8**

HJR 8 (Koenig) is called the fair tax bill by its proponents and the mega tax bill by its opponents. It is a constitutional amendment which would eliminate the income tax and replace it with an expanded sales tax. It passed out of committee **HCS 8** (House committee substitute) on February 2, 2011. A House Committee Substitute (HCS) passed the House on February 23. This bill is similar to **SJR 1**, explained in detail in the February 4, 2011, Legislative Bulletin. No action has been taken on the SJR since Jan. 20, 2011 when it was assigned to Ways and Means and Fiscal Oversight Committee. LWVMO opposes **HJR 8** and **SJR 1**.

HB 152 (Kelly) is a modified "fair tax" bill, no change, sent to committee.

Nine Initiative Petitions providing for similar tax changes as proposed in HJR 8, were submitted to the Secretary of State. The petitioners received permission to collect signatures. It is our understanding that they were submitted in case **HJR 8** did not pass the legislature. **The League's position is for people to decline to sign the petitions.**

HB 637 (Oxford) really is a tax reform bill. This bill which requires voter approval, changes the brackets in the present income tax law which have not been revised since 1931. The maximum tax rate is now 6 % for incomes greater than \$9,000 but will be changed to 9 % for taxable incomes over \$50,000. It will make other adjustments that will result in a tax reduction for 60 % of Missourians but increases the taxes for people with higher incomes. It will result in a net increase in state general revenue. The bill has been referred to the House Tax Reform Committee and is not on the calendar. Although League might not have a position on this particular bill, LWV believes that if significant new revenue is needed to support essential state services it should be realized through progressive means such as the individual income tax.

HB 181, HB 343 and HB 342 (which increase taxes on cigarettes), no change

HB 52 (Ellinger) referred to as the "streamlined tax" had a hearing on February 16. It requires the Department of Revenue to establish the necessary rules to implement the compliance provisions of the multi-state Streamlined Sales and Use Tax Agreement. This is the measure that would lead to increased collection of sales tax on internet purchases, leveling the playing field for local bricks and mortar businesses on Missouri's main streets. **HB 278** (McNeil) is similar.

HB 408 (Koenig) reduces the corporate income tax rate from 6.25% to 3.125% and authorizes an additional sales tax of .4939% to go into general revenue and eliminates the corporate franchise tax. This bill seems to be contrary to League positions which advocate that corporations should assume a larger share of Missouri's state tax burden through either an increase in the current tax rate or a permanent tax bracket structure. This bill is in the Ways and Means Committee, Hearing scheduled for March 3. League position pending.

HEALTH/MENTAL HEALTH – Lael Von Holt

Controversy around the national health reform law remains unresolved, especially on the constitutionality of the law, but League position remains clear in support of the law, in opposition to repeal, and responsive when Action Alerts in this regard come through. The Supreme Court may be the final arbiter.

In the Missouri Legislature, **HB 10** (Silvey) is important. **HB 10** appropriates money for expenses, grants, refunds, and distributions for the Department of Mental Health, Board of Public Buildings, and Department of Health and Senior Services. Currently this bill is in the House Budget Committee with hearings on going this week and next.

Increasing we hear about mental health problems emerging throughout the state, including closure of psychiatric facilities, lack of access to the ER in psychiatric emergencies, untreated mental illness in the homeless population, and residential needs for the developmentally disabled—just to name a few.

Mental health care is an essential component of overall health care, and we encourage our legislators—at the very least—to sustain current funding in the mental health budget with no cuts. There are too many high risk issues here.

The next hearing before the House Budget committee on **HB 10** is March 9. It is not too late to send your comments to the committee Chair, Ryan Silvey (e-mail Ryan.Silvey@house.mo.gov) or the vice chair (Rick.Stream@house.mo.gov). Check the web site for other members you might want to contact.

HB 421 (Stream, Redmon) requires the Department of Mental Health to develop a transition plan for services of a resident of a state developmental facility to the most appropriate living setting in the community. There are many unknowns in such a plan. It does not have support by many families or by LWVMO at this time. **HB 421** was voted do pass from the Special Standing Committee on Disability Services on March 2. The Senate companion bill is **SB 56** (Rupp).

HB 302 (Black, Fitzwater) authorizes the Department of Corrections to establish, as a 3-year pilot program, a mental health assessment process for criminal offenders in collaboration with the Department of Mental Health. This is an interesting bill that is bipartisan in sponsorship, represents collaboration between state departments, and reflects the occasional interface between mental illness and criminal behavior. There has been no action since the hearing on February 9. **SB 352** (Engler) is a companion bill. LWVMO will continue to monitor any progress.

WORKPLACE DISCRIMINATION AND WHISTLE-BLOWER LAW– Otto Fajen (from the Missouri NEA Legislative Update)

The Senate gave first round approval (Perfection vote) to **SB 188** (Brad Lager) on March 2. The Senate considered several amendments that would have restored accountability for unfair discrimination and retained existing protections for whistleblowers, but the amendments were generally defeated by supporters of the bill. The Perfected Senate bill makes several harmful

changes to the state's anti-discrimination law in employment, disability and housing and significantly limits and weakens the “whistle-blower” protections that ensure front line employees with the best information and knowledge are able to hold public institutions and public officials accountable for faithfully fulfilling their public duties. Missouri NEA believes that unfair, discriminatory treatment in the workplace should remain unlawful.

Missouri NEA supports accountability that fosters confidence in our public schools and other public institutions and believes the existing “whistle-blower” protections should remain in place to help ensure that employees can play their role in providing that accountability. The bill significantly weakens the state's “whistle-blower” statute by narrowly defining the authority under which the protection exists, stripping the employees of many employers from any protection at all and eliminating the common law protection that currently reflects our core Missouri value that all employees should be able to speak up and help hold employers, especially public employers, accountable for faithfully performing their public duties.