



LEGISLATIVE BULLETIN

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LEAGUE OF WOMEN VOTERS OF MISSOURI

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PHOTO ID is ? – Nancy Copenhaver

SJR 2 (now **HCS/SJR 2**) and **SB 3** (Stouffer) are in a holding pattern (shhhh, maybe it will stay that way).

HEALTH/MENTAL HEALTH – Lael Von Holt

The health reform debate goes on, but the League of Women Voters maintains its support of the Patient Protection and Affordable Care Act (PPACA), and its opposition to repeal of that act. Health benefits are significant for children, families and seniors, and efforts to repeal will be opposed. League will also oppose both court action and legislative action that jeopardizes those benefits.

Mention should be given, however, to the legal side of the coin in this national debate as to whether the PPACA is constitutional. Of particular legal inquiry is whether the mandate requiring everyone to purchase health insurance is constitutional. At present, litigation remains in the courts, pending referral to the U.S. Appeals or Supreme Court.

In Missouri, statewide legislation in health reform is ongoing and advancing in most cases, with state and federal overlap quite evident in the following bills:

HCS#2 HB 609 (Molendorp) establishes the Show-Me Health Insurance Exchange Act to comply with requirements of the federal PPACA of 2010 to facilitate the purchase and sale of qualified health and dental plans in the individual market and provide for the establishment of a small business health option program. The intent of the exchange, a quasi-governmental agency, is to reduce the number of uninsured, and provide transparency, competition and portability. **HCS#2 HB 609** has been reported Do Pass in the Rules Committee and is on the Calendar as of April 4 for the House Bills for Perfection – Federal Mandate. League supports.

This is a very significant bill—and a long one. Do check into your web site for a bill summary and further clarification of the federal law.

HB 423 (Burlison) enacts the Interstate Health Care Compact in which member states pledge to improve health care policy by returning authority to regulate health care policy to the state legislatures. **HB 423** advanced to the Senate on March 31. League opposes.

HCR 30 (Frederick) urges the Governor and Attorney General to send a letter to the President on the urgency of resolving the constitutional question of the federal law, the PPACA. **HCR 30** was adopted in the House on April 6, and reported to the Senate.

HCS HB 236 (Silvey) extends the expiration date of various federal reimbursement allowances from September 30, 2011, to September 30, 2016. This would include MO HealthNet (Missouri's Medicaid) and other major health services. **HCS HB 236** was referred to the Rules Committee on February 8. It appears non-controversial in the House, receiving a 25-0 vote in Budget, but further advance is pending resolution of debate in the Senate. LWVMO supports.

SB 56 (Rupp) is the Department of Mental Health transition plan for moving disabled state facility residents to appropriate community settings. Details, including League concerns, have been noted a number of times previously. It was voted Do Pass in committee on March 29, and **HB 411 & 421** (Wyatt) companion bills, advanced to Fiscal Review in the House on April 5.

HCS HB 10 (Silvey) appropriates money for expenses of the Department of Mental Health and Department of Health and Senior Services. This budget bill has been passed by the House, referred to Appropriations Committee in the Senate, and debate is ongoing.

DEATH PENALTY – Sydell Shayer

HB 799 (Carlson) the Death Penalty Repeal Bill, Last action was 3/31/11, referred to Crime Prevention and Public Safety Committee League supports.

HB 700 (Colona) the Moratorium Bill, Last action was 3/31/11, referred to Crime Prevention and Public Safety Committee. League supports.

UPDATE ON TAX BILLS – Sydell Shayer

The Earnings Tax. You will remember that LWVMO opposed the earnings tax Prop A on the November 2010 ballot, but it passed anyway. Thus Kansas City and the City of St. Louis each was required to ask the voters on April 5, 2011, if they wished to retain the earnings tax. Those propositions were called Prop E. Both cities voted overwhelmingly to retain their earnings taxes. [score: Missouri 2, Rex 0] The Leagues in both cities were strong advocates for Prop E and worked tirelessly to get them passed.

In a related matter, **HB 26** (Jones) would change the required voter reauthorization on city earnings taxes from every 5 years to every 20 years. There has been no action since the first hearing. LWVMO Supports.

HJR 8 (Koenig), the Mega Sales Tax, a proposed constitutional amendment to eliminate income taxes and replace them with a sales tax on almost everything (yet limited so much it would cripple state government), had a hearing with many testifying on both sides of the issue. LWVMO sent a statement to every member of the House Tax Reform Committee prior to the hearing, but the Committee passed the bill out by an 8-4 vote. In anticipation of the floor debate, LWVMO sent out the following action alert:

Action Summary: One of the worst tax bills ever introduced in the legislature will likely come up for debate on the floor this week or soon after. It is known as the Mega Tax Bill by its opponents and the Fair Tax Bill by its supporters. The proposed constitutional amendment will eliminate the state individual and corporate income tax and replace it with a sales tax on almost everything including food, drugs, rent, child care, attorney fees, healthcare, beauty care plus much more. It was voted “DO PASS” by the House Tax Reform Committee. The League sent the committee a statement against **HJR 8**.

The amendment sets a sales tax increase ceiling to 7%. Experts have concluded that in order to replace the amount of revenue lost by eliminating the income tax the sales tax must be at least 12%.

Talking points:

- A sales tax will shift the burden to the poor and middle class who are least able to afford it.
- The tax with its 7 % limit will not provide adequate income to provide basic state services.
- Residents and businesses will go to bordering states to make purchases and receive services.
- It puts Missouri businesses at a competitive disadvantage with neighboring states.
- The present income tax is a fair sharing of the tax burden.
- A healthy tax system should be a mix of taxes with the income tax providing a large portion of the revenue.
- Destroying a working tax system for an untried one could have unintended consequences and be devastating to the state.
- Tax policy should not be in the constitution. It should remain in the statutes where there is more flexibility to adjust to changing revenue situations.

The bill was heard on the floor briefly the evening of April 5 and laid over. Please retain this information should it come back to the House floor and it will be needed when the bill goes to the Senate.

HB 966 (Funderburk) is a new Streamlined Sales Tax Bill. It would implement the provisions of the streamlined sales tax agreement, allowing Missouri to collect sales taxes on online purchases. At the moment, Missouri has not been collecting all the sales taxes it can from sales made by

Missourians from out of state vendors. Thus Missouri businesses are at a disadvantage especially when someone can buy the same article on line without paying any sales tax. The bill is not currently on the calendar. League supports.

SJR 8 (Kraus) is a proposed constitutional amendment which would require a tax refund if the revenues increased over the preceding fiscal year by a formula. League is definitely against a bill that would refund income taxes when the state so desperately needs the revenue. It was heard in the Senate Ways and Means and Fiscal Oversight Committee, with the last action on 3/17/11. Following is the text of the statement we sent to the committee members prior to the hearing.

“The League of Women Voters of Missouri urges you to oppose **SJR 8**,

With the dire financial situation that the state is now in which requires cuts in crucial programs, it would be folly to reduce the money available to pay for necessary governmental services. We believe that it would be detrimental to the state as a whole as well as to specific programs that will be under funded.

Missouri’s revenue has been in decline for sometime. It will take years before it comes back to what it was several years ago.

A tax system should be fair and flexible to meet changing conditions. Imposing an artificial cap does not take into consideration the financial needs of the state at any given time.

The League believes that taxes are levied to support the needs of the people in the state for such services as health care, transportation, infrastructure, parks and recreation, safety and security among many other things. Until all these functions are funded, we shouldn’t even consider providing tax refunds. At the moment excess taxes seem a millennium away.

The League believes that were we to have any growth or expenditure limits they should be placed in state statutes, not the constitution. Therefore, the League urges you to oppose SJR 8.”

HJR 11 (Burlison) another proposed constitutional amendment puts limits on state appropriations. 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.) This bill is known as TABOR which stands for Taxpayer Bill of Rights. The League believes this is a very draconian bill and strongly opposes it. It had a hearing on April 3 and had another in the Downsizing State Government Committee on April 7, where the motion to Do Pass failed.

SB 288 (Ridgeway) creates a state and local sales and use tax exemption for all fees paid to any place of amusement, entertainment and recreation. Of interest, no position.

HB 181 and **HB 343** and **HB342** the cigarette tax bills have not moved at all.

MISSOURI BUDGET PROJECT REPORT

The 4 Senators blocking a vote on a bill to extend federally funded unemployment benefits to tens of thousands of long-term unemployed Missourians most impacted by the economic recession ended April 7. The benefits were passed but the Senate permanently damaged a vital component of the safety net in the process by permanently reducing unemployment benefits for working Missourians and rejecting federal money that would spur economic activity in the state.

Under the Senate bill, unemployment benefits will be reduced from 26-20 weeks, putting future workers at a disadvantage in order to pacify the four senators. In addition, the Senate rejected \$250 million in federal stimulus funding—funding for infrastructure that serves as the foundation of Missouri’s economy as well as for a variety of programs that assist working Missourians. [note: the bill still must go back to the House since it was changed and pass muster by the Governor]

ENVIRONMENTAL AND RENEWABLE ENERGY – Sue Brockett

Earlier this year, the Joint Committee on Administrative Rules removed the “sold to Missouri” provision of Prop C. This allows utilities to purchase renewable energy from any source. However, two bills that would encourage Missouri renewable energy are now in the General Assembly. **HB 613** (Holsman) would restore the “sold to Missouri.” **HB 877** (Berry) would set interconnection standards that would streamline the process of connecting renewable energy sources such as landfill gas generators to the electricity grid.

HB 267 (McNeil) would require sustainable construction for state funded building. A similar bill passed the House in 2010 with a vote of 137-9 but did not make it into law. These standards require new and existing buildings to meet or establish energy efficiency goals. Missouri currently ranks 45th in energy efficiency so there is much room to improve.

Two other issues in the environmental arena are clean water permit fees and state park funding. At the beginning of 2011, the Missouri Department of Natural Resources (DNR) lost the ability to charge fees for permits that regulate pollutants discharged into Missouri water. These fees fund 30% of the enforcement costs. **HB 89** (Pollock) would restore the fees to 2010 levels. While this is better than the current situation, increasing the fees would allow better protection for our water.

State Park funding for capital improvement is sorely in need. The last major funding for the state parks came from the 3rd State Building Fund in the 1980’s. In this bond issuance, state parks received 10% of the funds. A 5th State Building Fund has been proposed by Rep. Chris Kelly (**HJR 5**). It would authorize a state referendum on \$250 million in bonds for capital improvements for state agencies and higher education. The conservation coalition is lobbying to restrict 10% of these funds, if approved by the voters, for state parks.

A conservation lobby day, jointly sponsored by the Missouri Coalition for the Environment and the Sierra Club, Missouri chapter, was held in Jefferson City on March 29. Nearly 80 pro-conservation citizens attended and reached over 115 state legislators.

FROM MISSOURI NEA – Otto Fajen

The Senate Appropriations Committee completed initial markup of **HB 2** and **HB 3** (Silvey) the K-12 education and higher education budget bills for the 2011-12 fiscal year. The school formula, transportation funding, Parents as Teachers, school board member training and Missouri Preschool Project line items were left “open,” meaning that those lines could still be subject to amendment when the committee continues markup next week.

The House budget plan is built on the assumption that **HB 15** (Silvey) will be enacted. **HB 15** is a current-year, supplemental appropriation bill to spend the federal EduJobs funding to support the school formula. This bill passed the House without a dissenting vote, but has yet to be taken up on the Senate floor. Several Senators are expected to attempt to delay the bill by filibuster. It is vitally important that HB 15 pass, since the budget for next year is predicated on the use of that EduJobs funding

EDITOR’S NOTE: The Legislature resumed March 28 after their spring break. The next Legislative Bulletin will be out April 21. By law, the FY 2012 state budget must be adopted by the Legislature by 6:00 p.m. on May 6 and the session ends by 6:00 p.m. on May 13 (on a Friday the 13th, hmmmmmm . . .)