

2019 Missouri Legislative Session Ends in Jefferson City

On Friday, May 17th the 100th Missouri General Assembly adjourned for its first regular session. Amid all the challenges throughout the year, the General Assembly was able to pass 94 bills of the 1,766 filed by both chambers. The Republican-controlled legislature moved some of its major initiatives forward during the final weeks, such as a prohibition on abortion at eight weeks of pregnancy; reigning-in local control of large animal feeding operations; tort reform measures on establishing venue and joinder limitations; passing a \$30 billion operating budget that includes fully funding K-12 education; \$300M bonds for bridge repairs; and new economic development and workforce development incentives for job creation.

The General Assembly passed a \$29.7 billion budget for FY20 that starts on July 1, 2019. This is almost a billion dollar increase in funding from the current fiscal year (FY2019 - \$28.8 billion). The final version of the budget included pay raises for all state employees and an additional increase for correction officers. Mileage reimbursement rates were also increased from \$0.37 to \$0.43. Lawmakers also increased core funding for all public universities by \$1 million, but Missouri State University received a \$10 million increase. The K-12 foundation formula was fully funded for the third year in a row. Public schools' core funding increased roughly \$60 million, from \$3.49 billion in FY19 to \$3.55 billion in FY20. Public school transportation saw a \$5 million funding increase. The General Assembly also agreed to allocate \$50 million in general revenue for an initial payment on a \$301 million bond package for bridge repairs and another \$50 million for a cost-share program with local municipalities to fund road repairs. Other highlights include:

- \$5 million for rural broadband grants
- \$347,338 for industrial hemp program
- \$5 million for Department of Conservation to study chronic wasting disease
- \$6 million in SEMA grants for flood recovery
- \$5 million for alternatives to jail program for pre-trial electronic monitoring
- 1.5 percent rate increase to Medicaid providers

The FY20 budget is based on a consensus revenue estimate increase of \$193 million (2 percent growth).

This was the first session for Governor Mike Parson (R), and now his staff will begin a thorough process of administrative review of all bills passed. The Governor has 45 days from the constitutional adjournment (May 30, 2019) to take action on legislation, and this deadline is set for July 15th. The Governor has three options for action: He can sign the bill into law; veto the bill; or take no action and the bill will take effect. The Missouri General Assembly will return on September 11th for the constitutionally-required veto session.

Within our report, you will find all bills of interest that have passed or were defeated. In addition, a link is included at the bottom of the report containing all legislation we have tracked throughout the session. If you need any additional information or would like copies of any of the bills, please let us know.

We truly appreciate the opportunity to represent your interests before the Missouri Legislature and the Executive Branch.

House Bills 243 & 544 – VICTIMS CERTAIN OFFENSES (Neely, R-Cameron)

This bill provides that a person who is, has been, or is in imminent danger of becoming a victim of domestic violence, sexual assault, or stalking shall not be denied tenancy, evicted from the premises, or in violation of a lease agreement on the basis of or as a direct result of being such a victim. The tenant has an affirmative defense, in certain actions brought by the landlord, that the tenant who vacated the premises was a victim or was in imminent danger of becoming a victim of sexual assault, domestic violence or stalking. Additionally, this bill provides a list of acceptable evidence that the landlord must accept as proof that the lessee or tenant was or was going to be a victim of sexual assault, domestic violence, or stalking. This bill also allows a landlord to impose a termination fee on such a tenant or lessee who wants to terminate the lease before the expiration date. This bill modifies the language regarding when a person commits the offense of nonconsensual dissemination of private sexual images.

Senate Bill 36 – REAL ESTATE (Riddle, R-Fulton)

This bill expands the immunity of real estate licensees to include information about the size or area of a property or of improvements to property if the information was from a third party and source is disclosed by the licensee. However, such licensee shall not have immunity if he or she knew the information was false, or acted with reckless disregard as to whether such information was true or false.

The bill requires that when a property is subdivided and a new property description is created, the new property description must include the name and, if applicable, the professional license number of the person that created the property description. The bill prohibits a person from submitting for recording any conveyance of subdivided property with a new property description unless it contains the person's name and, if applicable, professional license number.

Senate Bill 87 – MODIFIES PROVISIONS RELATED TO TAXATION (Wallingford, R-Cape Girardeau)**RESIDENTIAL RENOVATIONS FOR DISABILITY TAX CREDIT**

This bill reauthorizes the Residential Renovations for Disability tax credit until December 31, 2025.

Senate Bill 203 – PROPERTY IN CERTAIN CITIES (Nasheed, D-St. Louis)

This bill changes certain laws relating to real property. In its main provisions, the bill:

1. Modifies how actions against another property owner whose property is a nuisance are brought in certain cities and counties. It specifies how notice of a nuisance is given to the property owner or tenant of the property. This bill modifies how proceedings seeking an injunctive relief against the property owner are conducted. Property owners and neighborhood organizations seeking injunctive relief will no longer have to show they are suffering actual damages as a result of the nuisance in order to bring such an action. The bill permits attorney's fees being awarded in certain circumstances to the party who brought the action. It also modifies a defense available to property owners who are acting in good faith to comply with all orders rather than an order issued by the Department of Natural Resources, the U.S. Environmental Protection Agency, or the Office of the Attorney General. The bill will apply only to property owners and neighborhood organizations in Kansas City and the City of St. Louis and repeals reference to other political subdivisions;
2. Allows licensed engineers to conduct specified building permit inspections on certain residential dwelling units for which they submitted plans in accord with criteria and uniform forms provided by political subdivisions for such permit inspections;
3. Authorizes the board of aldermen of cities of the fourth classification to seek an appraisal and to conduct reasonable analyses before putting a proposed water or wastewater system sale or a sale of a gas plant before the voters. The board may consider alternatives to a sale and the fair market value may be a matter of negotiation. Good faith notification efforts of any ballot measure may be made through a variety of media including Internet sites and should target voters and users of the utilities as specified in the bill; and
4. Allows a person who is not the owner of real property in Kansas City, St. Louis

County, Independence, St. Joseph, Springfield, or St. Louis City or who is a creditor holding a lien interest on the property, and who suspects that the real property may be abandoned, to enter the premises to visually inspect the property to determine whether it is abandoned. Any person who enters the property, according to the provisions of the bill, will not have a right to a mechanics lien. If the person makes a good faith determination based on the inspection that the property is abandoned, the person may secure the property, remove trash or debris from the grounds, landscape, maintain, or mow the grounds, and remove or paint over graffiti. This bill provides immunity for the person entering the property from claims of civil and criminal trespass and all other civil immunity, as well as barring an action against the property owners in certain circumstances, unless the act or omission constitutes gross negligence or willful, wanton, or intentional misconduct. In the case of real property that is subject to a mortgage or deed of trust, the creditor holding the debt secured by the mortgage or deed of trust may not enter the premises of the real property if the entry is barred by an automatic stay issued by a bankruptcy court.

Did Not Pass Bills

House Bill 170 (Gannon, R-DeSoto) allows roofing contractors in Missouri to register with the Department of Insurance, Financial Institutions and Professional Registration. Registration is not required to practice the profession and persons who only perform subcontracted work for a registered roofing contractor cannot be registered. Applicants must submit an application with a \$200 fee and provide proof of motor vehicle insurance; current worker's compensation policy, liability insurance; and a no tax due statement from the Department of Revenue. HB 170 received a public hearing and was voted "Do Not Pass" by the House Professional Registration and Licensing Committee. A companion bill was filed in the Senate as **Senate Bill 153** (Sifton, D-St. Louis Co.) and died on the Senate floor calendar. This legislation did not pass in 2019.

House Bill 175 (Washington, D-Kansas City) specifies that, if a landlord evicts a tenant in violation of any statute or county or municipal ordinance, the landlord shall be guilty of a class E felony. The bill also increases the penalty for assault in the 4th degree, a class A misdemeanor in most cases, to a class E felony if the victim is a tenant in a landlord-tenant relationship. If the assault on the tenant involves a weapon, it is a class C felony. Bill referred to House Judiciary Committee. No action.

House Bill 215 (DeGroot, R-Chesterfield) changes the provisions of the "Property Assessment Clean Energy (PACE) Act." PACE programs shall be considered "merchandise" for the purposes of the Missouri Merchandising Practices Act and are subject to the provisions of that act. Any residential program administrator for residential properties of four or fewer units must obtain a license and maintain an annual registration with the Division of Finance within the Department of Insurance, Financial Institutions, and Professional Registration. The division will also conduct lending audits under the Truth-in-Lending Act, as it relates to consumer loans. Contractors cannot advertise to or solicit property owners unless the contractor maintains any necessary permits, licenses, or registration, maintains bond and insurance coverage, and provides a written agreement that the contractor shall act in accordance with the Missouri Merchandising Practices Act and other advertising laws. The residential program administrator cannot pay a contractor in excess of the actual price charged by the contractor to the property owner for the qualified improvements financed by an assessment contract. The residential program administrator cannot provide to a contractor any information that discloses the maximum amount of funds for which a property owner may be eligible for qualifying improvements. The director of finance can issue an order to cease and desist, enforceable by a civil penalty of not more than \$1000 per day. Passed by the House, HB 215 was referred to Senate Committee on Commerce, Consumer Protection, Energy and the Environment, where it stalled.

House Bill 216 (DeGroot, R-Chesterfield) relates to civil actions for exposure to asbestos. This legislation allows for transparency in all asbestos tort claims and provide all parties with all trust material relating to asbestos exposure and claims. The bill requires that all trust claims materials and documentation be admissible as evidence. This legislation did not receive a public hearing in 2019 as the bill was delayed

a referral to committee by the House Speaker's office. A companion bill was filed in the Senate as **Senate Bill 69** (Hough, R-Springfield), which was passed out of committee and died on the Senate floor calendar.

House Bill 483 (Stacy, R-Blue Springs) creates the "Fairness to Homeowners Act" and establishes a process and schedule for the submission and approval of building permits and certificates of occupancy. A political subdivision shall evaluate and approve or deny a building plan, or application or inspection for a certificate of occupancy in this state within five days of the plan's submission or one day of the application's or inspection's submission. A denial must include the reason therefore, specific citations to the building code, and the actions required to receive approval. The bill allows for the resubmission of a denied plan and an addition time frame for evaluation. The bill provides civil penalties to be paid by the political subdivision for violations. This bill had a public hearing and was voted out of House Committee. The bill did not receive and House floor debate and no companion bill was filed in the Senate.

House Bill 709 (Shawan, R-Poplar Bluff) establishes the "Silica Claims Priorities Act". HB 709 prohibits a person from bringing a claim alleging injury cause by the inhalation of silica unless the person can make a prima facie showing of physical impairment resulting from a medical condition for which silica exposure is a substantial factor. This bill was voted "do pass" from the House Judiciary Committee, but did not get any debate on the House floor. A similar bill was filed in the Missouri Senate as **Senate Bill 317** (Burlison, R-Springfield) and was passed out of the Senate Government Reform Committee. This legislation did not pass in 2019.

House Bill 1066 (Porter, R-Montgomery City) requires any person conducting a home inspection to be licensed by the Division of Professional Registration within the Department of Insurance, Financial Institutions and Professional Registration. In its main provisions, the bill establishes the Missouri Home Inspectors' Board within the division to implement the licensure program and specifies its duties, powers, membership, and the members' terms of office; and authorizes the board to establish licensing qualifications, an application process, the licensing fee, criteria for courses of instruction, continuing education requirements, and procedures for the issuance of a license on a reciprocal basis; develop and publish standards of professional conduct; and specify the form and content of examinations. The bill received a hearing by the House Professional Registration and Licensing Committee, but did not advance.

House Bill 1137 (Hill, R-Lake St. Louis) establishes the criteria of a worker to be considered as an independent contractor. It states that independent contractors shall have a written contract that states the person is an independent contractor, not an employee, and that the person is responsible for all costs, fees, and taxes as an independent contractor. HB 1137 passed the House, was referred to the Senate Small Business and Industry Committee, but did not receive a hearing.

House Bill 1162 (Riggs, R-Hannibal) requires the Department of Economic Development maintain a record of all federal grants awarded to entities for the purposes of providing, maintaining, and expanding rural broadband in the state. In cases in which funds have been retained, withheld, or not distributed due to failure to meet performance standards or other criteria, the department must seek to have the funds awarded to another eligible, qualified Missouri broadband provider. HB 1162 passed the Missouri House and died in the Missouri Senate as it was not placed on the floor calendar. This language was not added to any other legislation and did not pass in 2019.

House Bill 1189 (Plocher, R-St. Louis) prevents a political subdivision from requiring the owner of residential property to have a home inspection conducted in order to sell the property. The bill does not apply to any inspection requirement of new construction or occupancy permits. The bill was voted Do Pass by the House General Laws Committee, but stalled.

House Bill 1243 (Messenger, R-Republic) places a six-year sunset on existing tax credits that do not sunset within the next six years. The sunset would take effect on Dec. 31, 2025. The bill was voted Do Pass by the House Ways and Means Committee, but stalled.

Senate Bill 10 (Cunningham, R-Marshfield) modifies statutes relating to minimum wage. SB 10 provides that any employer may pay any minor employee a rate of wage equal to 85% of the minimum wage rate required to be paid to an adult employee. "Minor employee" is defined as any employee who is less than 18 years of age. In addition, SB 10 modifies the minimum wage rate required to be paid to tipped employees. Under current law, tipped employees must be paid no less than 50% of the minimum wage rate for all other employees. This act specifies that tipped employees shall receive no less than 50% of the wage rate paid to employees as of January 1, 2019, provided that their total compensation shall be no less than the wage rate paid to employees as of January 1, 2019, the difference being made up by the employer. SB 10 was debated on the Senate floor and faced a filibuster from the Senate Democrat Caucus. This bill did not pass in 2019.

Senate Bill 28 (Hegeman, R-Cosby) places a statutory cap on the state low-income housing tax credit. The Senate passed the bill with a cap of 72.5% of the federal tax credit ceiling. In the House, an amendment was added that included a hard cap on the program at \$123 million annually, created a scoring rubric for selection of applications and allowed the state tax credits to be transferrable and certificated. The Senate ultimately sent the bill to conference, however, the Missouri House did not entertain the motion. The House companion bill was **House Bill 665** (Gregory, R-St. Louis Co.) and this bill died on the House floor calendar. HB 665 was similar to SB 28 as it had a cap of 72.5% of the federal tax credit ceiling and contained language for a scoring rubric for selection of applications. On the final day of the 2019 legislative session, Governor Mike Parson (R) attempted to find compromise between all parties but was unsuccessful. At this time, it is uncertain in the state will provide a tax credit allocation for the current fiscal year.

Senate Bill 62 (Burlison, R-Springfield) modifies statutes governing unlawful merchandise practice for housing construction. Under SB 62, an unlawful merchandising practice shall not include any advertisement, merchandise, or transaction in which the merchandise consists of a new residence in a transaction in which the buyer is offered an express warranty in the sale contract by the builder or by a third-party warranty paid for by the builder and the sale contract includes a disclaimer. A "residence" is defined as a single-family house, duplex, triplex, quadraplex, or unit in a multiunit residential structure in which the title to each individual unit is transferred to an owner under a condominium or cooperative system and includes common areas and common elements. Currently, the court may award punitive damages as well as attorney's fees and equitable relief in actions for unlawful merchandising practices. This act repeals the availability of punitive damages. Additionally, in a class action for certain unlawful merchandising practices, the plaintiffs may seek to recover compensatory but not punitive damages. Currently, a court may order, in addition to damages, injunction or other equitable relief and reasonable attorney's fees. This bill was voted "do pass" from the Senate Government Reform Committee and ultimately died on the Senate floor calendar.

Similar bills were filed last session as **Senate Bill 150** (Koenig, R-St. Louis Co.) and **Senate Bill 276** (Rowden, R-Columbia) that both died on the Senate floor calendar.

Senate Bill 126 (Hough, R-Springfield) modified existing statute for guaranteed energy cost savings contracts. SB 126 adds additional items to the definition of "eligible cost savings measurers" that would qualify under the statute. Under current law, a governmental body is required to award a contract to a qualified provider if the amount of energy cost savings would not exceed the amount of energy or operational savings within a fifteen year period from the date installation is complete. SB 126 would extend the time frame to a 20 year period. This legislation was supported by Missouri's higher education institutions that are currently experiencing a deferred maintenance shortfall in excess of \$1 billion. SB 126 was voted "do pass" from the Senate Commerce, Consumer Protection, Energy and the Environment Committee and was not placed on the Senate floor calendar. A companion bill was filed in the House as **House Bill 717** (Miller, R-Camdenton). The House amended the language to Senate Bill 206 in committee, but SB 206 did not reach final passage.

Senate Bill 227 (Sater, R-Cassville) relates to employer policies relating to employee drug use. SB 227 provides that an employer may refuse to accommodate the use of

marijuana on its premises for any use described in Article XIV of the Missouri Constitution. SB 227 allows an employer to institute a random drug-testing policy and receipt of a positive test for marijuana may be considered grounds for dismissal in the case of an employee or, in the case of a prospective employee, refusal of employment. SB 227 was voted “do pass” by the Senate Small Business and Industry Committee and was not placed on the Senate floor calendar.

Senate Bill 315 (Burlison, R-Springfield) prohibits political subdivisions from imposing any new occupational fees or licensing requirements on any profession if none have been imposed before August 28, 2019. SB 315 had a public hearing in the Senate Professional Registration and Licensing Committee and did not receive a vote. This language did not pass in 2019.

Senate Bill 350 (O’Laughlin, R-Shelbina) modifies statutes relating to landlord and tenants for commercial property. SB 350 provides a procedure for a landlord to reenter and take possession of leased commercial premises without a judicial process and court order. Premises covered within the act include real property leased under the terms of a rental agreement for commercial or business purposes, but does not include real property used for residential or agricultural purposes. A landlord may reenter and take possession of the premises if a notice of default has been provided to the tenant at least 45 days prior to the landlord reentering the premises. A second notice shall also be provided 10 days before reentry and shall include a statement that the rent is due and unpaid and that the landlord may reenter the premises and remove and dispose of personal property if the rent remains unpaid for more than 45 days, unless the tenant pays the rent within 10 days of the second notice. If the rent remains unpaid 10 days after the second notice, the landlord is entitled to a lien upon the tenant’s personal property located on the premises and may seize and sell such personal property as is necessary to secure payment of the rent. The landlord is not liable for loss or damage to any of the tenant’s personal property left in or at the premises. SB 350 was voted “do pass” from the Senate Small Business Committee and died on the Senate floor calendar.

Senate Bill 500 (Burlison, R-Springfield) creates the "Occupational Licensing Consumer Choice Act". Under this act, an unlicensed person may provide a service for which state law otherwise requires an occupational license, provided such unlicensed person makes a nonlicensed disclosure stating that the unlicensed person is working in a lawful occupation without a license, that the state requires that providers of the service hold an occupational license, and that the unlicensed person is allowed to provide the service under this act. Such disclosure shall be made by at least one of several means set forth in the act. An employer or contractor may hire or contract with an unlicensed person and may offer such unlicensed person’s services to a consumer provided the employer or contractor makes a nonlicensed disclosure.

This act prohibits an unlicensed person from being denied any privilege granted under state law to a person holding an occupational license, provided such unlicensed person, or such unlicensed person’s employer or contractor provides a nonlicensed disclosure. A state authority is required to disclose on their internet website, and on all written or digital and online application forms for occupational licenses that a person may work in the state without an occupational license otherwise required. Production of a nonlicensed disclosure shall act as a defense against any administrative, civil or criminal action brought by a state authority for the purpose of enforcing the personal qualifications necessary to obtain and maintain an occupational license.

Any consumer injured by an unlicensed person is permitted, under this act, to bring in small-claims or district court a civil action and may recover damages. This act shall apply to the regulation of all licensed occupations in the state except for certain health care professions set forth in the act. This bill was referred to the Senate Professional Registration Committee and did not receive a public hearing.

Click the button below to access 2019 Bills of Interest Report

2019 Bills of Interest

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