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House Successfully Delivers Balanced Budget, Achieves \$1.5 Billion in Savings

The Missouri House of Representatives is pleased to announce the successful passage of a balanced budget that not only meets our financial goals but also secures substantial savings and critical funding for key priorities.

The Missouri General Assembly this week finalized and approved a \$51.7 billion budget, cutting nearly \$1.3 billion from the Senate's version of the FY2025 budget. The budget also reflects a \$1.3 billion reduction in spending from the FY2024 budget, while placing emphasis on strengthening the state's infrastructure, particularly several of Missouri's aging roadways. The Fiscal Year 2025 state operating budget achieves a crucial balance between ensuring that our financial resources are allocated efficiently and responsibly while streamlining government operations and safeguarding essential services. Some of the key highlights of the Fiscal Year 2025 Budget are as follows:

- \$727.5 million investment for rebuilding I-44 (including six lanes at Springfield, Joplin, and Rolla)
- \$100 million for rural and low volume roads
- \$53 million for I-29 and I-35 improvements
- \$8 million for the National Guard and Operation Lone Star to defend the southern border
- \$2 million for grants to crisis pregnancy resource centers to support mothers in need
- \$1.5 billion toward expanding broadband access
- Over \$25 million in port infrastructure projects
- \$3.78 billion to fully fund the K-12 education foundation formula
- \$361 million to fully fund school transportation
- Raising starting teacher pay to \$40,000 per year
- \$80 million for career and technical education programs
- \$32 million for Sheltered Workshop Programs
- \$2.5 million in housing assistance for veterans

- \$4.25 million toward PTSD treatment for first responders
- 3% increase for community colleges and universities
- 3.2% pay raise for state employees

This accomplishment comes after rigorous negotiations between the House and the Senate, where the steadfast approach of the House Budget chair and House leadership resulted in a budget that aligns with the state's priorities and values. The final savings figure, achieved through collaboration and determination, underscores the effectiveness of the legislative process.

"Our primary goal in crafting the Missouri state operating budget is to safeguard taxpayers and ensure essential services are well-supported. This balanced budget reflects our dedication to responsible spending and critical infrastructure investments, setting a positive course for our state's future," House Budget Chair Cody Smith, R-Carthage, said. "By avoiding wasteful expenditures and focusing on infrastructure, we're not just meeting immediate needs but also laying the groundwork for sustained growth and prosperity. I am proud to present a balanced budget that accomplishes these goals, and am thankful for all of the hard work put into ensuring the passage of our budget."

As these budgetary bills move forward and await signing from Governor Mike Parson, the House remains dedicated to responsible governance and transparent leadership, focused on serving the needs of our constituents and delivering results.

To view the FY 2025 Appropriation documents, please visit: <https://house.mo.gov/budget.aspx>

Legislation Advancing to Governor's Desk

Entering into the final week of the 2024 legislative session, the Missouri General Assembly has continued to push forward in an effort to pass several vital pieces of legislation. Several such bills have advance, and Governor Mike Parson has officially signed off on several truly agreed and finally passed bills from the 2024 legislative session.

HB 2634 will prevent abortion clinics from receiving Medicaid reimbursements. This legislation prohibits public funds, including Medicaid reimbursements, from supporting abortion facilities or affiliates and grants taxpayers and the Attorney General the ability to enforce these provisions through legal action. Additionally, the bill amends existing statutes to require MO HealthNet participants to use services only from qualified providers and empowers the Department of Social Services to terminate contracts with unqualified providers due to specific offenses. It also prohibits reimbursement to abortion facilities under the "Uninsured Women's Health Program".

SB 727 and HB 2287 form a comprehensive legislative package focused on education reform in Missouri. These bills aim to permanently raise the minimum teacher salary to \$40,000 annually and increase salaries for experienced teachers with a master's degree to \$48,000 by 2027, with annual adjustments tied to the Consumer Price Index. The package also boosts state funding for early childhood education programs, expands access to Empowerment Scholarship Accounts, encourages 5-day school weeks in larger municipalities, establishes the Elementary Literacy Fund, doubles small school grant funding to \$30 million annually, safeguards retirement benefits for educators continuing to teach after retirement, and initiates the Teacher Recruitment and Retention State Scholarship Program. These

measures collectively aim to enhance teacher compensation, support early education, and improve educational opportunities statewide.

HB 2016 was signed into law on Wednesday, May 8, as Governor Parson traveled to the southern border in Texas to receive an update on Missouri personnel deployed to the border in support of Operation Lone Star. During the visit, the Governor signed HB 2016, the supplemental appropriations bill that funds the deployment, into law. The deployment strategy involves implementing rotating shifts for National Guard members and dispatching highway patrol troopers equipped with standard law enforcement gear, all of whom have volunteered for the mission. In line with these efforts, the Missouri General Assembly approved a \$2.2 million supplemental budget request to support border security initiatives and replenish the Governor's emergency response fund.

HB 1751 will allow the City of Raymore and its residents to have a voice in where Kansas City is allowed to place a landfill near Raymore city limits. HB 1751 increases the municipal approval radius from one-half mile to one mile for landfills, solid waste processing facilities, demolition landfills, and sanitary landfills. This change means that the Department of Natural Resources will not issue a solid waste disposal operating permit to one municipality without the approval of an adjoining municipalities' governing body if the permit location is within one mile of the adjoining municipalities' border.

HB 1803 would expand the MOBUCK\$ program, which helps local lenders offer reduced interest rates to eligible borrowers. Managed by the Treasurer's Office, MOBUCK\$ uses linked deposits to provide funds to lenders at discounted rates, enabling them to lower interest rates by 2-3 percent for borrowers statewide. The program, which temporarily paused new applications due to high demand, will receive a substantial \$400 million supplement through HB 1803, addressing increased demand and inflationary pressures. MOBUCK\$ supports farmers and small businesses by reducing loan interest burdens and optimizing economic returns for Missourians. The bill's approval signifies Missouri's commitment to economic stability and resident support.

The Following Bills Still Await the Governor's Signature:

HB 2111, a measure aimed at bolstering government transparency and accountability, awaits the Governor's signature. This bill grants the State Auditor broader authority to audit any political subdivision where evidence of misconduct, including fraud or waste, exists, without requiring an invitation from local authorities or voter petition. It also ensures the confidentiality of audit records to protect whistleblowers. This legislation fulfills Missouri's commitment to transparent and responsible governance.

SB 912 encompasses a comprehensive set of measures aimed at supporting the military community. It includes provisions such as enabling a full state tax deduction for military and National Guard enlistment and re-enlistment bonuses, simplifying the process for veterans to obtain a handicap placard for their vehicles, covering expenses for military specialty license plates for veterans, and mandating collaboration between the Missouri Veterans Commission and the Department of Mental Health to combat veteran suicide. Notably, the bill extends benefits to veterans who served on active duty or in the National Guard between 2001 and 2021, streamlining procedures for disabled veterans to present VA documentation instead of requiring alternative paperwork to the DMV to verify their disability status.

HB 1495 emphasizes the state's commitment to addressing veteran mental health and preventing suicide. This legislation tasks the Missouri Veterans Commission, in collaboration with the Department of Mental Health, to expand efforts in line with the Commander John Scott Hannon Veterans Mental Health Care Improvement Act of 2019. The bill mandates a thorough review and subsequent implementation of procedures, programs, and treatment options to combat veteran suicide, with a focus on tailored support and proactive measures. HB 1495 also requires annual reporting on progress and effectiveness, demonstrating Missouri's proactive approach and dedication to ensuring the well-being of those who have served the nation.

HB 2057 aims to modernize the state's regulation of video service providers by expanding the definition of "video service" to include streaming content. The bill emphasizes fairness and innovation by exempting streaming providers from franchise fees, aligning with federal law that prohibits attaching franchise fees to internet services. The legislation underscores the importance of protecting consumers from additional taxes on video streaming services while fostering a thriving digital future for Missouri.

HB 1909 focuses on reforming county committee meeting requirements by eliminating the mandatory obligation for county committees to hold meetings within the county seat before primary elections. Additionally, HB 1909 removes the stipulation that the St. Louis city committee chair must designate the meeting location on the same day as the county committee. These changes will provide greater flexibility for committees to choose meeting venues that best serve their constituents' needs and enhance administrative efficiency while modernizing and improving accessibility in local government.

HBs 2134 & 1956 is a comprehensive bill aimed at regulating the land application of industrial wastewater, sludge, and related process wastes in Missouri to protect water resources and property rights from misapplication and improper storage of certain food industry wastes. Waste disposal companies intending to build storage lagoons for animal byproducts would need to conduct tests for heavy metals, pathogens, and other pollutants, with mandates for groundwater monitoring wells where necessary to prevent seepage into water bodies. Large animal feeding and agricultural operations are exempt due to existing regulations. The bill addresses environmental concerns about waste storage and spreading from meat processing and food industries, aiming to close a regulatory loophole and ensure responsible land application of materials. It introduces a nutrient management standard overseen by the Department of Natural Resources and restricts exemptions from water pollution permits, highlighting Missouri's commitment to clean water and sustainable practices while supporting agriculture and business interests.

HB 1912 proposes changes to Missouri's taxation of pass-through entities, specifically S Corporations. It allows S Corporation shareholders to claim a tax credit for their share of the S Corporation's out-of-state income. The bill replaces the federal business income deduction with Missouri's state business income deduction for tax calculations. It also introduces provisions for members of affected business entities to opt-out of certain taxation methods under the SALT Parity Act, with nonresident members agreeing to file returns based on Missouri nonresident adjusted gross income and be subject to Missouri tax jurisdiction. Additionally, the bill extends tax credit benefits to fiduciaries of estates or trusts that are members of these entities.

SB 1359 is a comprehensive legislative package that encompasses various modifications and enactments concerning financial institutions and insurance regulations in Missouri. This bill introduces significant

changes, including extending medical assistance eligibility for individuals receiving breast or cervical cancer screenings, adjusting motor vehicle financial responsibility enforcement program requirements, and establishing the Money Transmission Modernization Act of 2024 to regulate money transmission activities. It also expands confidentiality provisions for insurance records, outlines procedures for reinsurance contract disposition during insurer conservation or liquidation, increases coverage limits for self-service storage insurance, and introduces specific regulations for Missouri mutual insurance companies. Additionally, the bill repeals certain restrictions on real estate loans, allows lenders to charge consumers for credit report costs under the Missouri Consumer Loan Act, and introduces disclosure requirements for commercial financing transactions. SB 1359 aims to modernize regulations, enhance transparency, and improve oversight across these sectors in Missouri.

SB 748 deals with the Federal Reimbursement Allowance (FRA), which would renew taxes on hospitals, pharmacies, nursing homes and ambulance services that are essential to Missouri's Medicaid program. These taxes amount to around \$1.4 billion, which then attracts an additional \$2.8 billion in federal matching funds. Typically, Missouri covers about 35 percent of its Medicaid costs, with the federal government covering the remainder. Since their inception in 1991, these taxes have been renewed 17 times. After much debate and a record-long filibuster in the Missouri Senate, legislators voted to approve the measure, which now includes a sunset clause that would take effect in five years.

Missouri House Passes Resolution Affirming Support for Israel

The Missouri House also this week passed a resolution, HCR 30, which reaffirms Missouri's longstanding support for Israel and its commitment to standing with Israel as it defends itself and works towards recovering hostages taken by Hamas.

HCR 30 acknowledges the enduring friendship and mutually beneficial relationship between the United States of America, the state of Missouri, and the State of Israel since Israel's establishment in 1948. The resolution recognizes Israel's right to exist and declares Jerusalem as its eternal capital. It emphasizes Missouri's unwavering support for Israel's efforts to protect its citizens and eliminate threats posed by terrorist organizations such as Hamas, and affirms Israel's inherent right to defend itself until the threat is eradicated.

HCR 30 also calls upon the United States government to continue its steadfast support for Israel in its efforts to maintain peace and security in the region. This resolution was prompted by recent events, including the tragic massacre on October 7, where many lives were lost and hundreds were kidnapped by terrorist organizations.

The vote on HCR 30 was held on May 6th, coinciding with the Jewish holiday of Yom HaShoah, a day of remembrance for the victims of the Holocaust, and the passage of HCR 30 underscores the historic partnership between Israel and the United States and emphasizes the importance of protecting this vital ally to the State of Missouri. It stands as a reaffirmation of Missouri's commitment to standing with Israel in its pursuit of peace and security.

In the words of House Speaker Dean Plocher, "Missouri has a long and proud history with the state of Israel going back to 1948. The United States was the first country to acknowledge Israel's existence, done so by Missouri's very own President Harry S. Truman. The Missouri House stands in solidarity with

Israel during these challenging times, and we urge the United States government to stand shoulder to shoulder with the people of Israel during this critical time.”

Missouri House Passes Historic Preservation Tax Credit Enhancement Bill

The Missouri House of Representatives has passed HB 1936, the "Missouri Historic, Rural Revitalization, and Regulatory Streamlining Act," a bill aimed at streamlining the application process for Missouri's historic tax credit program which serves to revitalize historic properties across the state. HB 1936 seeks to enhance efficiency, reduce bureaucracy, and provide greater accessibility to the historic tax credit economic development investment tool, marking a significant step forward in the state's efforts to preserve its rich history while fostering economic growth in communities large and small.

The legislation overhauls Missouri's historic tax credit program by adjusting credit percentages, repealing previous limits on approvals, allowing non-profits access, and updating the application process. It mandates faster initial application decisions, introduces third-party reviews, and facilitates phased projects with credit issuance at each stage. Taxpayers can voluntarily forfeit approvals, and an appeals process ensures fairness in decisions by the Department of Economic Development or the State Historic Preservation Office (SHPO).

What this bill does accomplish is helping entrepreneurs and developers who are passionate about preserving Missouri's rich, architectural and cultural history. This legislation will not only breathe new life into our historic properties but also spur economic development in areas that have long been in need of revitalization. By streamlining the application process and increasing tax credit percentages, we are providing developers with the incentives they need to invest in Missouri's past and future.

HB 1936 will now move to the Missouri Senate for consideration, where lawmakers will have the opportunity to further strengthen the state's commitment to historic preservation and rural revitalization.

Missouri House Passes HB 2571 to Simplify Financial Reporting Requirements

The Missouri House of Representatives has approved HB 2571, a bill designed to improve financial transparency and reporting standards for counties and political subdivisions across the state. The legislation paving the way for simplified accountability in local government finances.

Under HB 2571, non-charter counties will now have until June 30th each year to publish a concise financial statement for the previous year in a qualified newspaper. This statement will include crucial details such as the names, offices, and current gross annual salaries of elected or appointed county officials, ensuring greater transparency and accountability in local governance.

HB 2571 strengthens our commitment to transparent government by ensuring that financial information is readily accessible to the public. These measures promote accountability and trust in our local communities. With the passage of this bill, we can simplify the process to increase efficiency while also saving money.

In addition to extending publication deadlines, HB 2571 introduces provisions to safeguard against fraud or non-compliance. Political subdivisions with minimal revenues or no tax levies are exempt from fines, while instances of fraud or misconduct resulting in delayed submissions are addressed with

understanding and fairness. Moreover, the bill empowers the Director of the Department of Revenue to make necessary adjustments to fines, acknowledging practical challenges faced by political subdivisions. This bill is designed to hold the city accountable for any non-compliance with regulations and ensure that they are submitting all the necessary statements to the relevant authorities. It's important to remember that even small towns can face challenges in maintaining compliance, such as losing a secretary who is responsible for submitting statements. This bill aims to address these issues and strengthen the regulatory framework that governs cities.

The passage of HB 2571 underscores Missouri's dedication to efficient governance and fiscal responsibility. By modernizing reporting requirements and strengthening consequences for non-compliance, the state is taking proactive steps to uphold transparency and accountability at the local level.

State Releases April 2024 General Revenue Report

Missouri's April 2024 general revenue report reflects a significant increase in net collections compared to the same period last year, rising by 20.3% to reach \$1.38 billion. This growth contributed to a year-to-date increase of 2.7% in net general revenue, totaling \$10.70 billion for the fiscal year. Key highlights include a notable 22.1% monthly increase in sales and use tax collections, which contributed to a yearly growth of 10.2%, reaching \$2.67 billion. Additionally, pass through entity tax collections saw a substantial increase from zero to \$537.2 million for the year, significantly boosting overall revenue. Despite a yearly decrease of 7.3% in individual income tax collections, monthly collections for this tax type rose by 10.6%.

On the other hand, refunds increased by 5.5% year-to-date, amounting to \$1.47 billion, with a 2.0% monthly increase. The report indicates a positive overall trend in revenue growth for Missouri, driven largely by strong performances in sales and use tax collections, pass through entity taxes, and other miscellaneous collections. This growth is particularly noteworthy given the varying performance across different tax types, with some showing declines in yearly collections but compensating with strong monthly gains.



I was honored to serve as Acting House Speaker in the Missouri House of Representatives Chamber; and I have been so honored to serve as your Representative.



The 3rd and 4th graders from Dent-Phelps R-III were our distinguished guests!

To see legislation mentioned in this report, go to <https://house.mo.gov/LegislationSP.aspx>

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