

State Senator

John Loudon

11/17/05

**DRAFT**



District 7

Dear Friends,

In a historic legislative session, the General Assembly this year took on many important priorities. We set a vision for Missouri to provide a more efficient government while encouraging job growth. We set an agenda, and we accomplished our goals.

This year we made important strides to keep health-care costs down and doctors from leaving our state. We revamped an abused workers' compensation system. A new education formula has replaced a broken, inadequate funding system. With state government needing to live within its means, we passed a balanced budget without a tax increase.

With the regular and special legislative sessions in the books, we can reflect on a successful year in Missouri politics. The General Assembly was able to pass these and other high-priority pieces of legislation.

The following pages will give a snapshot of some of the major issues debated and advanced in the General Assembly. Please do not hesitate to call if you have any questions or comments on the items I have presented here, or on any other legislative matter of concern.

We've accomplished much to date, yet much remains to be done. Working together, we can make Missouri an even better place to live, work and raise our families.

It is a privilege and an honor to represent your interests in the Missouri Senate.

Sincerely,

A handwritten signature in black ink, appearing to read "John Loudon".



**Contact Sen. Loudon**

Capitol Phone:  
(573) 751-9763

Address:  
Capitol Bldg., Room 422  
Jefferson City, MO 65101

Online:  
[www.senate.mo.gov/loudon](http://www.senate.mo.gov/loudon)

# Welcoming Missouri Businesses

*Two bills improve Missouri's business environment.*

## Workers' Comp Reform

Missouri workers' compensation law provides medical treatment and compensation to workers injured on the job and shields employers from being hit with expensive and unpredictable lawsuits.

Sen. Loudon worked tirelessly to sponsor, draft and advance much-needed workers' comp reforms. The new system will help lower insurance premiums and keep businesses in Missouri.

### Senator Loudon's Legislation (SB 1):

- ▣ Requires that work be "the prevailing factor" rather than a "substantial factor" in the injury to receive compensation.
- ▣ Reduces the amount workers can collect if they are injured while in violation of safety regulations.
- ▣ Prevents "get-rich quick" schemes by limiting the amount lawyers can collect.

## Tort Reform

Excessive jury awards civil liability cases cause insurance premiums to rise, forcing businesses and doctors to move out of Missouri.

With the support of a governor who promotes job growth, Sen. Loudon and his legislative peers were able to ensure Missouri's tort system will finally be able to more appropriately seek justice.

### The Legislation (HB 393):

- ▣ Prevents excessively high jury awards by placing a \$350,000 cap on damages allocated for pain and suffering.
- ▣ Prohibits "venue shopping," a practice in which trials are moved to jurisdictions known for awarding plaintiffs with extremely generous amounts.
- ▣ Brings about a finer balance between liability and financial responsibility.

## Budget Bullets

The \$19.2-billion budget we sent to the governor includes money collected from federal and state taxes. The budget includes:

- A \$113-million increase for the education foundation formula.
- Full funding of the First Steps program for 8,000 developmentally disabled infants and toddlers.
- \$13.8 million for the state's veterans' homes.
- An \$11.5-million increase for child care for low-income working parents.
- A wage increase for home and community-based workers who provide services for the elderly and adults with disabilities.

## Distribution of Each General Revenue Tax Dollar

FY 2006 After Veto Missouri Operating Appropriations  
General Revenue: \$7.159 Billion



# Fostering Business Growth

## *Quality Jobs Act offers incentives for companies to provide more jobs*

The General Assembly passed legislation this year that will improve Missouri's business environment and create more jobs for Missourians in varying industries. The Missouri Quality Jobs Act provides important incentives for businesses looking to relocate to or expand operations in Missouri. While I sponsored the Quality Jobs Act under SB 545, the measure passed under similar legislation.

Under the bill, eligible businesses can keep a portion of the withholding taxes they would otherwise pay for new employees. This provision provides an advantage to new and growing businesses when they need it most.

All businesses participating in the Missouri Quality Jobs Program are required to offer health insurance to their employees and pay at least half the cost of this benefit. To qualify for the incentive, the job would have to offer at least the average salary for the local county.

Businesses in rural areas are required to create at least 20 new jobs within two years, and those in urban areas must provide 40 new jobs within the same time period. Companies bringing in more than 100 new jobs qualify for additional benefits.

The legislation also contains a special benefit for technology and life sciences companies. Qualifying tech companies can keep withholding taxes and are given refundable tax credits of up to 5 percent of their payroll.

The tech and biotech industry is of critical importance to Missouri if we want to be competitive in the 21st century, and I am pleased to sponsor legislation that commits our state to firmly supporting the growth of this important sector of our economy.

This legislation furthers Missouri's commitment to being business-friendly and to promoting real job growth.



Medicaid was created in the late 1960s to provide state-funded health care to those who are truly in need. Missouri's spending on the Medicaid program has grown from \$38,914,458 (4 percent of our state budget) in 1968 to \$4,888,399,124 (28 percent of our state budget) in 2004.

Just because Missouri's Medicaid rolls have been all-too-welcoming, it does not mean that the state is all-the-more compassionate. Displaying true compassion would mean providing only the less fortunate with high-quality and easy-to-access health care, rather than giving a government handout to self-sufficient individuals.

Because the Medicaid program swelled beyond its means over the past two gubernatorial administrations, this year

legislators were faced with the very necessary, but very difficult, decision of devising a more fiscally responsible plan.

The budget was written according to Missouri's priorities, and because adequately funding public schools is the state's main goal, lawmakers had no choice but to tighten excessive spending on social programs.

Senate Bill 539 calls for stricter eligibility verification and oversight to keep Medicaid from collapsing on itself.

No qualified child or pregnant woman will be cut off Medicaid, and the state will continue to provide prosthetics, eyeglasses, podiatry and dental services for most adults, subject to appropriations.

The legislative plan restores income eligibility thresholds to the level they were at just three years ago and closes a loophole that allowed some wealthy individuals to qualify for Medicaid benefits.

Missouri is on its way to improving the state-funded health-care system so that the

brunt of budget cuts is not placed on the backs of those who need help the most.

Year	Total State Money Spent	Percentage of State Budget
1968	\$38,914,458	4%
1980	\$320,505,298	8%
1990	\$832,557,078	11%
2000	\$3,337,470,275	20%
2004	\$4,888,399,124	28%

## Working to Protect Life

*Special session focused on legislation enforcing parental consent law*

The 2005 legislative session was successful for Missouri lawmakers, and our state will benefit. However, despite the best efforts of the Senate, the Legislature was unable to pass important abortion legislation. As a result, Gov. Blunt called on lawmakers to return to Jefferson City in September to pass this needed legislation.

Under Senate Bill 1, which I sponsored, individuals who help transport minors across state lines to get abortions are subject to civil lawsuits. The legislation reinforces current Missouri law requiring individuals under age 18 who are seeking abortions to show their doctors written permission from a parent or legal guardian before undergoing the procedure.

SB 1 also regulates abortion providers to ensure that emergency medical services are available in case of complications. The measure requires physicians at Missouri abortion clinics to have privileges to provide obstetric and gynecological care at hospitals within 30 miles of the clinic where the abortion is performed.

After the legislation received overwhelming Senate approval in 2005, the House was unable to approve the language of the legislation. Nevertheless, we were able to get approval by the Legislature in the special session.

I appreciate everyone's support in helping to get passed this needed legislation, which will work to protect all of Missouri's children, born and unborn.

---

## A New Education Formula

The Missouri General Assembly passed legislation (Senate Bill 287) to create a new "foundation formula" to fund public schools. The old formula was being challenged in state courts.

The new formula, which bases funding on student need, will end up providing an additional \$830 million each year for Missouri schools by 2014. Statewide fund-

ing increases will be implemented gradually over the next several years, beginning in 2006-07.

For the coming year, an additional \$113 million was added to basic state aid to public schools. Increased funding was also provided for Parents as Teachers, school lunch programs, and special education; and A+ funding was maintained.

---

## Veterans' Recognition Programs Taking Applications

I am pleased to announce that Adjutant General King E. Sidwell is encouraging eligible Missouri veterans and their spouses to apply for the Missouri World War II and Korean War Veterans' Recognition Programs. Legislation passed this year removes application deadlines and allows Missourians to be acknowledged for their service.

The recognition programs award a medal, medallion and certificate to Missouri veterans who served during

World War II or the Korean War. Missouri residents who entered or were discharged from military service during these wars are also qualified to apply.

Questions about the programs can be directed to the Missouri Veterans Award Recognition office at (573) 638-9561. Applications for both programs can be obtained through the same office and are posted on the Missouri National Guard Web site at [www.moguard.com](http://www.moguard.com) under the 'Program' link.

---

## Gubernatorial Appointments from the 7th Senatorial District

Since my election to the Missouri Senate in 2000, I have been honored to sponsor the gubernatorial appointments of the following 7<sup>th</sup> District residents:

**Lee Clear** - Tourism Commission

**Debra Cochran** - State Board of Senior Services

**John Diehl** - St. Louis County Board of Election Commissioners

**Thomas Forget, M.D.** - Head Injury Advisory Council

**John Gaal** - Missouri Training and Employment Council  
**William Humpfer** - Reappointed to the Credit Union Commission

**Daniel Scodary, M.D.** - State Board of Registration for the Healing Arts

**Dr. John H. Visser** - State Board of Podiatric Medicine

**David Wasinger** - University of Missouri Board of Curators

**Chaim Zimbalist** - Board of Election Commissioners for St. Louis County

---

## Slapped Back: Court Decision Affirms Sen. Loudon's Efforts to Protect Private Citizens From Public Officials' Acts of Legal Retribution

A law enacted last year based on legislation sponsored by Sen. John Loudon, R-Chesterfield, preventing companies from silencing citizens played a significant role in a recent court decision blocking a strategic lawsuit against public participation (SLAPP suit) from going any further in the judicial process.

In February of 2004, Fred Weber Inc. filed a \$5-million defamation, libel and slander suit against Thomas Diehl, who while attending a public meeting passed out fliers in opposition to a trash transfer station being built in south St. Louis County.

In its findings, the Eastern District Court of Appeals earlier this year referred to Missouri's new law banning SLAPP suits against individuals and groups who make statements in a public forum. Although Diehl's opposition was not verbally stated, the court issued a writ of prohibition—stopping the case from going before a trial judge—and



declared the lawsuit to be potentially harmful to democracy.

Citizens expressing their opinions on important issues should not live in fear of having their personal liberties attacked in the form of expensive lawsuits. From the start, this lawsuit was a violation of Mr. Diehl's right to free speech. I am glad to see that justice prevailed.

This year, I advanced legislation extending protection from SLAPP suits to individuals who participate in "other petitioning activities," such as passing out fliers at public meetings. The measure would also ensure that the plaintiff is not able to dismiss the SLAPP suit just before trial, which prevents the defendant from being left with no chance to be awarded compensation for legal fees by

the court.

While time ran out before lawmakers could approve the added SLAPP protections, I plan to see the legislation through in the upcoming session.

---

## Senator Loudon Addresses Constituent Concerns

One of the most important duties I perform as a Missouri Senator is responding to the needs of the people of the 7th District. This year, for example, I worked with a constituent to change state law to ensure those who receive commissions for selling products or services are justly compensated.

Senate Bill 211, which I introduced, was approved by both chambers and signed into law by the governor.

The need for this legislation was raised by a constituent who was unable to collect his sales commission due to a

quirk in state law. Even if his court case had been successful, this constituent would have been forced to spend some of the commissions he had earned to pay attorney fees.

SB 211 now allows the courts to award reasonable attorney fees and costs to the prevailing party. It also clarifies the rules regarding commission sales to ensure those who sell products or services for others are properly compensated. This bill makes for a fairer business environment for Missouri workers.

---

## Highway 141 Update

In another example of economic development in the Chesterfield area, my office has worked with the Missouri Department of Transportation to enlarge and extend Highway 141. The north-south highway, which shrinks to two lanes north of I-64 and dead-ends at Olive Blvd., will have new lanes and will be lengthened to access the Maryland Heights and Earth City expressways.

MoDOT has committed an estimated \$6.4 million for the highway expansion to Olive Blvd., and we are working together to receive continued funding for the project north to Maryland Heights.

This expanded highway will create an outer belt stretching from I-55 in the south to I-70 and even I-370 to the north. It will offer new transportation opportunities and foster further development in our area.

---

## Planning Ahead: The 2006 Session

Even after a successful legislative session like 2005, there are several major issues that need to be addressed in the session beginning Jan. 4, 2006. While some initiatives work to continue the move toward a safer and more business-friendly Missouri, others will address recent developments that affect our state.

- **Eminent domain:** Earlier this year, the United States Supreme Court ruled that governments are legally allowed to seize the homes of citizens so that private developers can use the land to build new businesses. This judicial activism leaves the door open for the abuse of private-property rights.

However, the court ruled that states can pass laws limiting the purposes for which eminent domain can be used. And while eminent domain is sometimes necessary for legitimate purposes, such as acquiring right of way for highways or locating public utilities, there are abuses that need to be addressed. The Governor's Task Force on Eminent Domain will be making its recommendations to the General Assembly soon. I hope that you will also contact my office to let me know your suggestions.

- **Sexual predators:** One of my top priorities this session will be to strengthen laws that protect our children from sexual predators. I plan to pre-file legislation in December to increase prison sentences for people who rape or sexually molest children and to prevent them from being granted probation.

- **Medicaid reform:** The Medicaid Reform Commission has been working throughout the interim to find ways to keep Missouri's Medicaid system solvent. We need to continue our efforts to reduce waste, fraud and abuse of the system so that those truly in need can get proper health-care assistance.

- **Unemployment reform:** While we have made needed changes to Missouri's workers' compensation system, our state unemployment compensation system is equally troubled. In order to maintain our unemployment compensation benefits system, the state is borrowing millions of dollars from the federal government. We cannot afford to keep borrowing. Unemployment reform is a key initiative to maintaining the solvency of a system that helps Missouri families.

### Senate Bills Sponsored by Loudon That Were Passed Into Law

**SB 1** – Reforms workers' compensation law.

**SB 131** – Allows insurance companies to invest in preferred or guaranteed stocks.

**SB 133** – Requires Office of Administration to include certain products in the cafeteria plan for state employees.

**SB 211** – Extends certain rights regarding sales commissions.

**SB 261** – Creates certain requirements for the operation of the Missouri health insurance plan.

**SB 453** – Modifies Missouri's nuisance laws.

**SB 545** (incorporated into SB 343) – Creates the "Quality Jobs Act" for the state of Missouri.

**SCR 7** – Urges Congress to establish the Chiropractic Center for Military Research at Logan College of Chiropractic.

### Bills Co-Sponsored by Loudon That Were Passed Into Law

**SB 183** (combined into SB 202) – Merges the Administrative Law Judge retirement system into the state employees' retirement system.

**SB 270** – Modifies the linked deposit program and other duties of the State Treasurer.

**SB 556** (amended to SB 539) – Creates the Medicaid Reform Commission.

### House Bills Handled by Loudon That Were Passed Into Law

**HB 69** – Allows insurance companies to invest capital, reserves and surplus in preferred or guaranteed stocks.

**HB 388** – Makes certain Department of Insurance records nonpublic.

**HB 513** – Designates a portion of State Highway 370 in St. Louis and St. Charles counties as the "Officer Scott Armstrong Memorial Highway."

**HB 530** – Students may receive foreign language credit in public education institutions for sign language classes.

### Contact Senator John Loudon



My office and I are always ready to answer any questions you may have concerning the Missouri Legislature. Feel free to call my Capitol office at (573) 751-9763 or my district office at (314) 895-0007 or visit us on the Web at: [www.senate.mo.gov/loudon](http://www.senate.mo.gov/loudon).

I would like your opinion on issues facing Missouri. It is essential that the citizens of Missouri have effective representation in state government. Therefore, I offer this short questionnaire on events relating to the current legislative session. Thank you in advance for your input.

Your Name \_\_\_\_\_ Address: \_\_\_\_\_

City \_\_\_\_\_ Email Address: \_\_\_\_\_

### HIGHWAY 64 CONSTRUCTION

1.) Because of traffic congestion and aging infrastructure, including deteriorating bridges and pavement, MoDOT is going to reconstruct I-64/Highway 40 between I-270 and Kingshighway. It will cost approximately \$535 million and may require replacement or reconstruction of 44 bridges, 15 interchanges and 12 miles of roadway. During construction there will not only be increased congestion on I-64 but also on all highways and roads between I-44 and I-70. Businesses in downtown St. Louis and elsewhere could also be adversely affected if people decide to avoid certain areas due to congestion.

As MoDOT prepares for construction of the new I-64, which of the following options would you want MoDOT to place the greatest emphasis on? Please choose the factor that is most important to you.

- \_\_\_ 1. Keep lanes open through the project area as much as possible, even if it means a longer period of inconvenience to the pu
- \_\_\_ 2. Close one or more lanes through the affected area so that the project can be completed faster.
- \_\_\_ 3. Shut down I-64 entirely for as long as six months and close one or more lanes during other periods to achieve the greatest reductions in costs and finish the project as quickly as possible.
- \_\_\_ 4. Other: \_\_\_\_\_

### EMINENT DOMAIN

2.) Do you support legislation restricting the ability of local governments to use eminent domain to seize homes and land for use by private developers?  
\_\_\_ Yes \_\_\_\_\_ No

Comments: \_\_\_\_\_  
\_\_\_\_\_

### STEM CELL RESEARCH

3.) Do you support or oppose cloning of human embryos for research?  
\_\_\_ Support \_\_\_\_\_ Oppose

Comments: \_\_\_\_\_  
\_\_\_\_\_

### SEX OFFENDERS

4.) Do you support or oppose no probation and longer sentences for people who are convicted of child molestation?  
\_\_\_ Yes \_\_\_\_\_ No

Comments: \_\_\_\_\_  
\_\_\_\_\_

State Senator John Loudon  
Room 422, State Capitol  
Jefferson City, MO 65101

Place  
Stamp  
Here

---

---

---

---

Please be sure to fold the outgoing survey in thirds, so that only the outgoing address is visible.

## Leadership Academy Day: Instilling Civic Values

A group of 37 students and their families from the 7th District visited Jefferson City in February to witness state government in action during Leadership Academy Day.

The day was packed with exciting events including a tour of the Governor's mansion, a trip to the top of the Capitol dome, and a visit to the Senate Chamber as guests of Senator Loudon.



*Sen. Loudon hosted his seventh Leadership Academy Day in February.*

President's Day 2005 marked the seventh year for Sen. Loudon's hosting of Leadership Academy Day, which started when he served in the Missouri House.

For some students, the day marked their first visit to Jefferson City. They witnessed lawmakers during floor debate, saw a falcon's nest at the top of the Capitol dome and took time out to eat pizza.

### **Senator John Loudon**

Room 422, State Capitol Bldg.  
Jefferson City, MO 65101

PRESORTED STANDARD  
U. S. POSTAGE  
**PAID**

Jefferson City, MO 65101  
Permit No. 220