

A photograph of State Senator John Loudon. He is a man with dark hair, smiling, wearing a dark navy blue suit, a white shirt, and a red and white striped tie. He has his arms crossed and is leaning against a white stone step. The background shows a light-colored stone wall with a door.

State Senator

John
Loudon

District 7

Working For You...

INSIDE:

Economy & Jobs

Stopping Child
Pornography
& Sexual Predators

Property Taxes

Illegal Immigration

Transportation

Dear Friends,

As this is my last year in office due to term limits, I want you to know it has truly been an honor and privilege serving the 165,000 citizens of West & North St. Louis County. Getting to know many of you personally has been the highlight for me, my wife Gina, and my children. This will be my last report. While there are always new challenges, such as the high cost of fuel and food, I am pleased to report we have accomplished a lot.

Since you made me your Senator, I have had the privilege of giving you several firsts:

1. For the first time in history, one legislator passed two Senate Bill #1s. In 2005, I authored and successfully advanced SB1 during the regular legislative session that rewrote our workers' compensation law. On average, those business costs are down, making our state more competitive in job creation.

2. Also in 2005, during a special legislative session, I successfully advanced SB1 that reinforced Missouri's parental consent law regarding abortions. Missouri became the first state to not only allow parents a level of control in these heart-wrenching situations, but when an outsider interferes in that parent-child relationship, a Missouri parent has a right to sue the intruder.

3. In 2006, the passage of my proposal within House Bill 1698 made Missouri the first state to launch a grant program of its kind to help local law enforcement hire cyber detectives to catch sexual predators in pursuit of our kids. Many view our child-protection laws as the toughest in the country. Parents, take notice: The problem is so vast that of the people caught by these programs, two were people I knew.

4. I was also able this year to give Missouri workers for the first time protection from being required to use microchips for identification. As human micro-chipping becomes more common, it will be against the law for any corporation to compel a Missouri worker to be chipped.

As I reflect on my last year as your state senator, I take great satisfaction from delivering so much of what you elected me to do. As my teacher-mother raised me to value education, I always viewed strong schools being tied to a strong business environment. That is why I fought for low taxes, low regulatory costs and an efficient government that prioritizes education, public safety, and transportation. In 1995, businesses groaned under the strain of increasing cost "drivers" such as workers' compensation, unemployment insurance, and health insurance. As the chairman of the Senate Small Business and Industrial Relations Committee, I was privileged to author solutions to all three. I went further and ensured small business and individual health insurance policies enjoyed the same tax deductibility as corporations. We even expanded this benefit to sharing ministries that provide medical needs. Those successes were made possible by the direct input and direction of many residents of the 7th Senate District.

I want you to know the needs and concerns of my constituents will remain a top priority for me as I serve through Dec. 31 as your state senator. I appreciate the faith you placed in me and all the wonderful support you have shown to my family and me throughout my many years of serving as your voice in Jefferson City.

Thank you, and may God bless you.



John Loudon
Senator
7th Senate District



Sen. Loudon with wife, Gina, and their five children.

Parental Warning: Protecting Missouri Kids from Sex Offenders Begins with You

The very last bill to pass the House during the 2008 legislative session was my bill to provide more protections for Missouri children from sexual predators.

Senate Bill 714 fixed loopholes in existing law while providing tougher penalties for child pornography and other sexual offenses against children, making our state one of, if not the toughest in the country. Under the new law, the punishment for the crime of possessing child pornography will be increased from a Class D felony (1-4 years in prison) to a Class C or B felony (1-15 years). SB 714 also fixed a loophole in the previous law that made it legal under state law to possess child pornography images of children ages 14-17.

Tougher Penalties for Distributing Child Porn

We already had tough penalties for people who commit the crime of promotion (distribution) of child pornography. But unfortunately, all too often state judges had offered probation or early parole with very little or no time served. SB 714 fixes this. For pictures involving children under the age of 14, the new law requires convicted defendants to serve at least three years in prison with no probation or early parole allowed. If the victim is between 14 and 17 years old, offenders must serve at least some jail or prison time, with probation not allowed.

Cyber Crimes Investigation Fund

But tougher laws don't accomplish much if law enforcement lacks the resources to go after criminals. We took care of that issue by creating the Cyber Crimes Investigation Fund. The new fund will provide \$3 million per year, beginning in fiscal year 2010, for the existing Internet Cyber Crime Grant (ICCG) program. I created the program two years ago to provide money for local law enforcement and multi-jurisdictional task forces to hire cyber detectives and computer forensic personnel to go after Internet predators and child pornographers. Thus far, between January 1 and April 30 of this year, 80 people have been arrested statewide, thanks in major part to funding provided by the grant program.



Sen. Loudon with Senate Leader Mike Gibbons and law enforcement officers and investigators during a press conference at the State Capitol.

Online Identifiers

The new law also contains a provision to help parents protect their children online by screening online identifiers and comparing them with information contained on the sex offender registry. Registered sex offenders will have to update the registry with their email addresses, cell phone numbers or any other online identifiers. The general public will be able to enter information about a specific online identifier to see if it matches that of a registered sex

offender. The Highway Patrol will also have the authority to share the online information with electronic and computer businesses to prescreen users and compare information.

State Court Ruling Reversed

This groundbreaking bill also overturns a state appellate court decision that allows attorneys of child pornography defendants to ask for actual copies of child pornography evidence. This ridiculous decision allowed children to be revictimized when their images were reproduced by the state and given back to child pornography addicts. The new law will allow them to review the evidence, but not have copies.

Internet Offenses Strengthened

The new law strengthens the severity of charges for attempted sexual misconduct with a child—sometimes called “webjacking”—when the crime is committed using the Internet, to the same penalty as if the crime were actually committed against a child. Under current law, if the crime is committed against a police officer posing as a child, it is charged as a Class A misdemeanor (maximum one year in prison). Under the new law, offenders will be charged with a Class D felony (1-4 years). Other provisions include expanding the list of violators prohibited from being within 500 feet of schools or child-care facilities to include offenders from other states, countries or jurisdictions.

We want to send a strong and convincing message that Missouri is fully committed to protecting our children from sexual predators and sufficiently prepared to go after and punish all perpetrators.

Making the Laws Make Sense

Fixing the Second Injury Fund & Overtime Laws

Very often during the legislative session, our phone would ring, and one man, Jerry Boer, of the Sound Room, a District 7 business, would remind me of the importance of passing my Senate Bill 1007, which would fix a glitch in our overtime law. He knew that many employers did not know that, due to an error created by the 2006 minimum wage law passage, flexible schedules and long sales floor hours of many commissioned sales people were now illegal and businesses and workers needed relief.

Due to political wrangling, SB 1007 was bogged down in the House. So, as the Senate handler of House Bill 1883, I was able to add several provisions, including one to correct those unintentional changes to overtime laws that prohibited work hour flexibility.

I was also able to add language to overturn the 2007 *Schoemehl v. Treasurer of the State of Missouri* decision that opened the door to workers' compensation death benefits from the state's Second Injury Fund to be paid to dependents for the duration of their lives following the death of a covered worker.

The fund was never intended to pay out benefits beyond the injured person's death. This will fix an unfortunate decision by the state court that helped threaten to bankrupt the Second Injury Fund.

House Bill 1883 also includes my proposal to prevent employers from requiring employees to have microchips implanted.

Missouri will now become the fourth state to bar employers from doing this. This may sound like science fiction, but we live in a capitalist society where people have nearly limitless creativity. When people push the envelope too far, especially in the area of privacy rights, it is the role of government to protect civil rights. A person should never have their privacy invaded in this manner.

Giving Missouri employers the incentives to expand and create good paying, long-term jobs, such as those provided by the Sound Room, makes good economic sense for Missouri. Having input from citizens like Jerry Boer makes it all possible. Thank you, Jerry.

Rising Fuel Prices Unacceptable

There are four main factors that influence the price of gasoline: the price of crude oil, the availability and capacity of refineries, distribution cost, and the gasoline tax.

With gas prices rising 35 percent from one year ago, gas prices are at record levels with much of the nation paying more than \$4 per gallon on average. Crude oil prices have surged to a trading record above \$140 per barrel (as of July). Missouri typically has the lowest average price of gas, which in mid-July was running about 30 cents lower than the national average.

While it is primarily a federal issue that requires a national comprehensive energy policy, there are some things that can be done at the state level. In Missouri, getting rid of reformulated gas and switching to gasoline containing ethanol has helped. We can look as close as our neighbors in Illinois to see that using reformulated gasoline results in higher gas prices. (Illinois also has higher fuel taxes.)

There are oil shale deposits in North America (some even in Missouri) that would dwarf the deposits



Gasoline prices topped the \$4 mark in many parts of the country over the summer. Missouri is among the states with the lowest prices.

in the Middle Eastern countries, and we should utilize them. Wood River, Illinois, located just across the Mississippi River, has a refinery. We need to explore ways to partner with states and agencies to build a pipeline to bring that oil to Wood River, which would dramatically reduce prices across the nation.

Property Tax Reform & Other Taxpayer Relief

Some relief from skyrocketing property taxes is now a possibility after legislation I co-sponsored was passed by the General Assembly to protect Missourians from property tax increases caused by reassessment. While it was not everything I hoped for, Senate Bill 711 was a step in the right direction.

The new legislation will require cities, school districts and other taxing entities to roll back their tax levy rates during reassessment years when assessed values increase greater than the rate of inflation. This will prevent them from gaining a windfall when there are drastic increases in assessed values. It will not, however, prevent them from raising their levies up to their "tax rate ceilings" during non-reassessment years.

Another key provision will require assessors' offices to send out estimated tax bills when they mail taxpayers their impact notices of increased assessed value. This important information will help taxpayers decide whether to appeal their assessments. These estimated tax bills will also have contact numbers for each taxing jurisdiction in case taxpayers want to protest the projected tax rates.

Additional protections will be provided for senior or disabled homeowners, who are often hit the hardest when property taxes rise. Senate Bill 711 will expand eligibility for the Missouri Property Tax Credit and increase the size of the benefit. For married couples who have owned and lived in their home for at least one year, the allowable household income limit will be raised to \$34,000. For single people who live in their own home for the entire year, the maximum allowable income will be \$30,000. The maximum possible tax credit for homeowners will increase from \$750 to \$1,100.

Taxpayers who qualify for another program known as the Homestead Preservation Tax Credit could benefit from a provision that changes how the credit will be calculated for returns filed between Dec. 31, 2008, and Dec. 31, 2011. If

you are interested in this program, please feel free to contact my District Office at 314-895-0007 or the Missouri Department of Revenue at 573-751-3505.

I wish we could have done even more for property owners. Actual property tax reductions are possible if locally elected boards vote to roll back their property tax rates. That is up to the voters.

New Health Insurance Tax Deduction

Starting with 2007 tax returns filed this year, a large number of Missouri taxpayers can now reduce their state income tax liability by deducting the cost of health insurance premiums from their federal taxable income, following health insurance reforms I passed through the legislature last year.

The deduction is for 100 percent of the cost of health insurance premiums paid by the taxpayer for the taxpayer, the taxpayer's spouse or the taxpayer's dependents to the extent the premiums are not already deducted from the taxpayer's federal taxable income. **This includes traditional health insurance premiums, medical-needs sharing ministries, Medicare premiums, Medicare supplemental insurance premiums and possibly prescription drug plans such as Medicare Part D.** Another provision allows children to stay on their parents' plans up to age 25.

Tax Relief to Seniors

When seniors file their 2008 tax returns next year, they will be able to exempt 35 percent of their Social Security income. This will be the second year of a six-year phasing out of the state income tax on social security benefits. With the high costs of prescription drugs and energy costs going up, many seniors are seeing their monthly income stretched to the limit. It's the least we can do for those who have worked a lifetime paying taxes.

Cracking Down on Illegal Immigration

During this year's legislative session, the General Assembly made good on its promise to pass legislation to fight illegal immigration. Over the last several years, no federal issue has been more hotly debated, and no issue has seen so little resolution. Now, Missouri has acted.

With the passage of House Bill 1549, illegal immigrants are barred from applying for food stamps, housing and other public benefits and from obtaining state driver's licenses. The new law will also crack down on employers who hire illegal immigrants or misclassify employees. My first priority this year as chairman of the Senate Small Business, Insurance and Industrial Relations Committee was to advance the employee misclassification portion of the illegal immigration reform that was offered by Democrat

Committee Member Sen. Tim Green. The bill also gives the State Highway Patrol authority, training and resources to help enforce immigration laws.

While primarily a federal issue, illegal immigration is a growing concern of state governments because it costs taxpayers hundreds of millions of dollars in jobs, benefits and services each year. The Federation for American Immigration Reform estimates there were 50,000 illegal immigrants in Missouri as of 2005.

Missouri will continue to heartily welcome legal immigrants, but we simply cannot tolerate illegal ones. While Missourians are not responsible for securing our national borders, we *can* prevent illegal immigrants from harming our state if we cut off jobs and benefits.

Transportation Funding Crisis: A Solution For the State's Dilemma

We need only to look at national headlines to see that our nation's aging and inadequate transportation infrastructure is in need of serious attention. In Missouri, our own transportation emergency is upon us.

This looming financial crisis — often referred to as the “perfect storm” — will occur in just two years, when the Missouri Department of Transportation's (MoDOT) funding will drop to less than half of current funding — from \$1.2 billion a year to about \$569 million per year.

Missourians have identified \$37 billion in transportation priorities over the next 20 years, with only \$19 billion projected in funding — creating an \$18 billion gap.

Voters have repeatedly rejected new taxes, so creative solutions are urgently needed to begin addressing this enormous problem. During this year's legislative session, I proposed a one-of-a-kind initiative that would put a constitutional

amendment before voters to invest 10 percent of state general revenue growth toward transportation infrastructure.

If the General Assembly—and then voters—had approved the no-tax road funding plan, it would have meant \$36 million for roads and bridges in 2010, and \$200 million by 2014. At its maturity in 2030, the plan would have produced \$1.3 billion per year. The reduction in general revenue was estimated at just 2 percent because the transportation investment would actually have grown the economy by 4 percent

My proposal was debated and endorsed by a Senate committee, but time elapsed before it had a chance to be fully considered. The solution makes sense, and I am sure it will receive considerable attention as this critical issue is weighed and MoDOT is forced to put the brakes on proposed road and bridge projects vital to the state's infrastructure and economy.

Progress for Highway 141 Expansion

The completion of Highway 141 is coming closer to becoming a reality, but finding enough money is still a challenge. We have been pressing hard on this for 14 years.

The good news is that “141” is finally moving from a long-range plan item and making its way on the “short-range” Transportation Improvement Plan (TIP).

This means it is one of the top three priorities of transportation planners. MoDOT and East-West Gateway are about to approve \$23.5 million to acquire land needed to relocate and reconstruct the section of Hwy. 141 stretching from near St. Luke's Hospital to Olive Boulevard. This is in addition to the roughly \$3.5 million dollars already used for engineering.

When construction is finally completed, we will have six brand new lanes of highway. The cost estimate for remaining right of way acquisition, final engineering and bridge design and construction is \$110 million.

The challenges will be to not only find the money to finish this portion of the project, but also to secure additional funding



to extend Highway 141 north to connect with the Maryland Heights Expressway and Page Avenue.

Meanwhile, the city of Maryland Heights is partnering with St. Louis County, with St. Louis County as the primary sponsor, to extend two lanes of the Maryland Heights Expressway south to the city limits. Construction began this spring and should be completed by the end of the year.

What remains is the extension of all four lanes of the expressway to Olive Boulevard. St. Louis County has entered into a partnership with the cities of Maryland Heights and Chesterfield to perform an environmental assessment for this portion. Depending on the route

taken, the estimated cost of this portion is \$64.5 million.

In light of economic downturns, it's important to make investments in our infrastructure to attract new businesses and encourage existing ones to expand. I will continue my efforts to work with MoDOT and local decision makers to make sure the Highway 141 project remains a priority.

Schools Getting An A+ Budget

Missouri's \$22.4 billion budget includes increased funding for K-12 schools, public colleges and universities and increases the availability of college scholarships. When the final numbers were put to ink, I was pleased we were able to provide a 2.4 percent increase in funding for the Department of Elementary and Secondary Education, including more for A+ Schools — for a total appropriation of \$5.3 billion. This also includes an increase of more than \$121 million for the Foundation Formula, which now appropriates money to local school districts based on student need, not



property value. This year, \$101.9 million of Foundation Formula funding will go to school districts in the 7th District.

In addition, higher education will receive a 7.8 percent increase, for a total appropriation of \$1.2 billion. This includes a \$48.7 million increase in Access Missouri scholarships, a \$6.2 million increase for community colleges and a \$33.6 million budget increase for four-year institutions.

As a member of the Senate Education Committee and ardent supporter of strong schools, I am pleased that Missouri has once again kept education a top priority.

Midwifery Law Upheld By State Supreme Court

On June 24, the Missouri Supreme Court upheld a midwifery law passed by the General Assembly in 2007 that I sponsored that allowed pregnant women the power to choose home-based births.

In a 5-2 ruling, the Missouri Supreme Court overturned a lower state court's decision that had ruled the measure unconstitutional. The State Supreme Court determined the medical associations that filed the lawsuit had no legal

standing to challenge the constitutionality of the midwifery provision contained in last year's legislation.

The decision is a great victory for families and a great victory for midwives. While my family has always chosen hospital births, this was about letting pregnant women, not the government, make the safest choice for their child.

Missouri now joins 40 other states in allowing this practice.

St. Louis Kids Taste Sweet Success of Lawmaking

Ice Cream Cone Official State Dessert

During the 2008 legislative session, I sponsored Senate Bill 991 to designate the ice cream cone as Missouri's official state dessert. A group of remarkable St. Louis County kids successfully campaigned for and were instrumental in passing the bill.

The bill officially and permanently preserves the historic and economic importance of the world-renowned ice cream cone, which made its official world debut at the 1904 World's Fair held in Forest Park.

Passage of this bill will be of economic benefit to the state by promoting Missouri's multi-million dollar dairy and frozen dessert industries and related tourism. Missouri ranks among the top five dairy states and is ranked tenth in ice cream production.



Sen. Loudon samples an ice cream cone and visits with "junior legislators" from St. Louis County who passed the ice cream cone bill. They include: Katie Kramer, Elise Kostial, Nicholas Frost, Jacob Frost, Garrett Floyd, Nathan Farrell, Lydia Frost, Kayleigh Hecht, Thatcher Broyles, Bethany Frost, Louisa Geyer, Elise Floyd, Elizabeth Kramer, Grace Savage and Alexandra D'Ordine. Not pictured: Kija Zuroweste.

You Have Spoken: You Want Tax Relief & No-Tax Road & Bridge Plan

Earlier this year, I asked your opinion on several issues relating to the current legislative session. I'm pleased that a record 2,230 of you answered the survey and helped me determine what issues are most important to you and your families. Thank you for your invaluable input.

I asked you to rank in order of importance six general issues and here is how they stacked up: 1) Lower Taxes (24 percent); 2) Protecting Children from Sex Crimes (19 percent); 3) Illegal Immigration (17 percent); 4) Job Creation (13 percent); 5) Other (12 percent); 6) Environment (9 percent); and Transportation (6 percent).

Here are some of the key findings:

Lower Taxes

■ 88 percent reported they are angered by rising property taxes.

■ 83 percent supported property tax reforms due to reassessment increases.

Protecting Kids from Sex Crimes

■ 67 percent supported creating a special \$3 million fund to equip law enforcement and computer forensic personnel to go after Internet predators and child pornographers.

■ 73 percent supported tougher penalties for child pornography possession.

■ 88 percent favored a minimum three-year prison sentence for distributing child pornography images of children age 14 or younger.

■ 76 percent supported a proposed constitutional amendment to make the state's sex offender registry retroactive.

Illegal Immigration

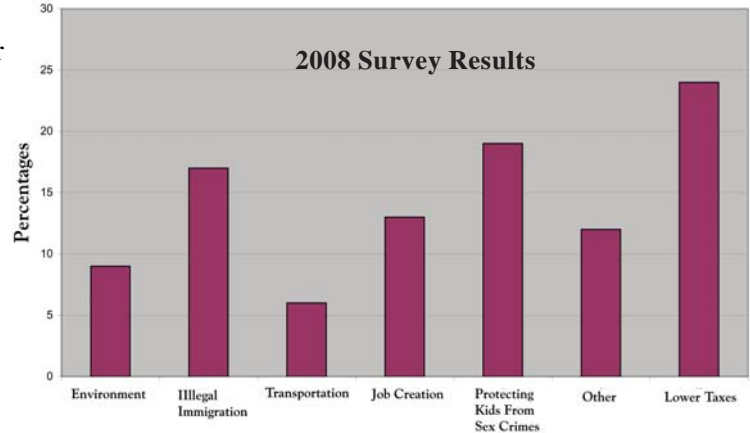
■ 63 percent indicated it drains money from public funds.

■ 57 percent said they believe states should take more responsibility for the issue.

■ 38 percent reported it diminishes national security.

■ 27 percent noted it takes away jobs.

■ 12 percent felt illegal immigration is a "non-issue."



Transportation

■ 74 percent said "yes" to a proposed constitutional amendment that would direct 10 percent of the growth in the state's general revenue to the Missouri Department of Transportation to pay for state roads and bridges.

■ 37 percent supported a one-cent sales tax proposal to meet the state's transportation needs.

Minimum Wage

■ 63 percent supported tying the state's minimum wage to the federal minimum wage.

I'm happy to report we addressed many of your concerns through legislation I sponsored or supported in 2008.

Senator John Loudon

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Contact Senator John Loudon

Senator Loudon and his legislative staff are always ready to answer any questions or help with any issues concerning state government.

Feel free to call Sen. Loudon's Capitol office at (573) 751-9763 or his District Office at (314) 895-0007.

Visit Sen. Loudon online at: www.senate.mo.gov/loudon