

SECOND REGULAR SESSION

[CORRECTED]

[PERFECTED]

SENATE SUBSTITUTE NO. 2 FOR

SENATE COMMITTEE SUBSTITUTE FOR

SENATE BILL NO. 968

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR BURLISON.

4530S.08P

ADRIANE D. CROUSE, Secretary

AN ACT

To repeal sections 44.032, 130.029, 143.081, 431.202, and 454.1005, RSMo, and to enact in lieu thereof ten new sections relating to business entities.

Be it enacted by the General Assembly of the State of Missouri, as follows:

Section A. Sections 44.032, 130.029, 143.081, 431.202,
2 and 454.1005, RSMo, are repealed and ten new sections enacted
3 in lieu thereof, to be known as sections 44.032, 130.029,
4 143.081, 143.436, 407.475, 431.201, 431.202, 431.203, 454.1005,
5 and 650.570, to read as follows:

44.032. 1. **(1) As used in this section, the term**
2 **"rural electric cooperative" means any rural electric**
3 **cooperative organized or operating under the provisions of**
4 **chapter 394, any corporation organized on a nonprofit or a**
5 **cooperative basis as described in subsection 1 of section**
6 **394.200, or any electrical corporation operating under a**
7 **cooperative business plan as described in subsection 2 of**
8 **section 393.110.**

9 **(2) The general assembly recognizes the necessity for**
10 **anticipating and making advance provisions to care for the**
11 **unusual and extraordinary burdens imposed by disasters or**

EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.

12 **emergencies** on this state [and], its political subdivisions
13 [by disasters or emergencies], **and rural electric**
14 **cooperatives**. To meet such situations, it is the intention
15 of the general assembly to confer emergency powers on the
16 governor, acting through the director, and vesting the
17 governor with adequate power and authority within the
18 limitation of available funds in the Missouri disaster fund
19 to meet any such emergency or disaster.

20 2. There is hereby established a fund to be known as
21 the "Missouri Disaster Fund", to which the general assembly
22 may appropriate funds and from which funds may be
23 appropriated annually to the state emergency management
24 agency. The funds appropriated shall be expended during a
25 state emergency at the direction of the governor and upon
26 the issuance of an emergency declaration which shall set
27 forth the emergency and shall state that it requires the
28 expenditure of public funds to furnish immediate aid and
29 relief. The director of the state emergency management
30 agency shall administer the fund.

31 3. Expenditures may be made upon direction of the
32 governor for emergency management, as defined in section
33 44.010, or to implement the state disaster plans.
34 Expenditures may also be made to meet the matching
35 requirements of state and federal agencies for any
36 applicable assistance programs.

37 4. Assistance may be provided from the Missouri
38 disaster fund to political subdivisions of this state
39 [which] **and rural electric cooperatives that** have suffered
40 from a disaster to such an extent as to impose a severe
41 financial burden exceeding the ordinary reserve capacity of
42 the subdivision **or rural electric cooperative** affected.
43 Applications for aid under this section shall be made to the

44 state emergency management agency on such forms as may be
45 prescribed and furnished by the agency, which forms shall
46 require the furnishing of sufficient information to
47 determine eligibility for aid and the extent of the
48 financial burden incurred. The agency may call upon other
49 agencies of the state in evaluating such applications. The
50 director of the state emergency management agency shall
51 review each application for aid under the provisions of this
52 section and recommend its approval or disapproval, in whole
53 or in part, to the governor. If approved, the governor
54 shall determine and certify to the director of the state
55 emergency management agency the amount of aid to be
56 furnished. The director of the state emergency management
57 agency shall thereupon issue **[his] the director's** voucher to
58 the commissioner of administration, who shall issue **[his]**
59 **the commissioner's** warrants therefor to the applicant.

60 5. When a disaster or emergency has been proclaimed by
61 the governor or there is a national emergency, the director
62 of the state emergency management agency, upon order of the
63 governor, shall have authority to expend funds for the
64 following:

65 (1) The purposes of sections 44.010 to 44.130 and the
66 responsibilities of the governor and the state emergency
67 management agency as outlined in sections 44.010 to 44.130;

68 (2) Employing, for the duration of the response and
69 recovery to emergency, additional personnel and contracting
70 or otherwise procuring necessary appliances, supplies,
71 equipment, and transport;

72 (3) Performing services for and furnishing materials
73 and supplies to state government agencies, counties, **[and]**
74 municipalities, **and rural electric cooperatives** with respect
75 to performance of any duties enjoined by law upon such

76 agencies, counties, [and] municipalities, **and rural electric**
77 **cooperatives** which they are unable to perform because of
78 extreme natural or man-made phenomena, and receiving
79 reimbursement in whole or in part from such agencies,
80 counties, [and] municipalities, **and rural electric**
81 **cooperatives** able to pay therefor under such terms and
82 conditions as may be agreed upon by the director of the
83 state emergency management agency and any such agency,
84 county, [or] municipality, **or rural electric cooperative;**

85 (4) Performing services for and furnishing materials
86 to any individual in connection with alleviating hardship
87 and distress growing out of extreme natural or man-made
88 phenomena, and receiving reimbursement in whole or in part
89 from such individual under such terms as may be agreed upon
90 by the director of the state emergency management agency and
91 such individual;

92 (5) Providing services to counties and municipalities
93 with respect to quelling riots and civil disturbances;

94 (6) Repairing and restoring public infrastructure;

95 (7) Furnishing transportation for supplies to
96 alleviate suffering and distress;

97 (8) Furnishing medical services and supplies to
98 prevent the spread of disease and epidemics;

99 (9) Quelling riots and civil disturbances;

100 (10) Training individuals or governmental agencies for
101 the purpose of perfecting the performance of emergency
102 assistance duties as defined in the state disaster plans;

103 (11) Procurement, storage, and transport of special
104 emergency supplies or equipment determined by the director
105 to be necessary to provide rapid response by state
106 government to assist counties and municipalities in
107 impending or actual emergencies;

108 (12) Clearing or removing from publicly or privately
109 owned land or water, debris and wreckage which may threaten
110 public health or safety;

111 (13) Reimbursement to any urban search and rescue task
112 force for any reasonable and necessary expenditures incurred
113 in the course of responding to any declared emergency under
114 this section; and

115 (14) Such other measures as are customarily necessary
116 to furnish adequate relief in cases of catastrophe or
117 disaster.

118 6. The governor may receive such voluntary
119 contributions as may be made from any source to aid in
120 carrying out the purposes of this section and shall credit
121 the same to the Missouri disaster fund.

122 7. All obligations and expenses incurred by the
123 governor in the exercise of the powers and duties vested by
124 the provisions of this section shall be paid by the state
125 treasurer out of available funds in the Missouri disaster
126 fund, and the commissioner of administration shall draw
127 warrants upon the state treasurer for the payment of such
128 sum, or so much thereof as may be required, upon receipt of
129 proper vouchers provided by the director of the state
130 emergency management agency.

131 8. The provisions of this section shall be liberally
132 construed in order to accomplish the purposes of sections
133 44.010 to 44.130 and to permit the governor to cope
134 adequately with any emergency which may arise, and the
135 powers vested in the governor by this section shall be
136 construed as being in addition to all other powers presently
137 vested in the governor and not in derogation of any existing
138 powers.

139 9. Such funds as may be made available by the
140 government of the United States for the purpose of
141 alleviating distress from disasters may be accepted by the
142 state treasurer and shall be credited to the Missouri
143 disaster fund, unless otherwise specifically provided in the
144 act of Congress making such funds available.

145 10. The foregoing provisions of this section
146 notwithstanding, any expenditure or proposed series of
147 expenditures which total in excess of one thousand dollars
148 per project shall be approved by the governor prior to the
149 expenditure.

130.029. 1. Nothing herein contained shall be
2 construed to prohibit any corporation organized under any
3 general or special law of this state, or any other state or
4 by an act of the Congress of the United States or any labor
5 organization, cooperative association or mutual association
6 from making any contributions or expenditures, provided:

7 (1) That the board of directors of any corporation by
8 resolution has authorized contributions or expenditures, or
9 by resolution has authorized a designated officer to make
10 such contributions or expenditures; or

11 (2) That the members of any labor organization,
12 cooperative association or mutual association have
13 authorized contributions or expenditures by a majority vote
14 of the members present at a duly called meeting of any such
15 labor organization, cooperative association or mutual
16 association or by such vote has authorized a designated
17 officer to make such contributions or expenditures.

18 2. No provision of this section shall be construed to
19 authorize contributions or expenditures otherwise prohibited
20 by, or to change any necessary percentage of vote otherwise
21 required by, the articles of incorporation or association or

22 bylaws of such labor organization, corporation, cooperative
23 or mutual association.

24 3. Authority to make contributions or expenditures as
25 authorized by this section shall be adopted by general or
26 specific resolution. This resolution shall state the total
27 amount of contributions or expenditures authorized, the
28 purposes of such contributions or expenditures and the time
29 period within which such authority shall exist.

30 4. (1) Any limited liability company that is duly
31 registered pursuant to chapter 347 and that has not elected
32 to be classified as a corporation under the federal tax code
33 may make contributions to any committee if the limited
34 liability company has:

35 (a) Been in existence for at least one year prior to
36 such contribution; and

37 (b) Submitted to the Missouri ethics commission a form
38 indicating that the limited liability company is a
39 legitimate business with a legitimate business interest and
40 is not created for the sole purpose of making campaign
41 contributions.

42 (2) The Missouri ethics commission shall develop a
43 form for limited liability companies to use for purposes of
44 paragraph (b) of subdivision (1) of this subsection. The
45 commission shall post all forms submitted pursuant to this
46 subdivision on its website on a public page in a searchable
47 format.

143.081. 1. A resident individual, resident estate,
2 and resident trust shall be allowed a credit against the tax
3 otherwise due pursuant to sections 143.005 to 143.998 for
4 the amount of any income tax imposed for the taxable year by
5 another state of the United States (or a political
6 subdivision thereof) or the District of Columbia on income

7 derived from sources therein and which is also subject to
8 tax pursuant to sections 143.005 to 143.998. For purposes
9 of this subsection, the phrase "income tax imposed" shall be
10 that amount of tax before any income tax credit allowed by
11 such other state or the District of Columbia if the other
12 state or the District of Columbia authorizes a reciprocal
13 benefit for residents of this state.

14 2. The credit provided pursuant to this section shall
15 not exceed an amount which bears the same ratio to the tax
16 otherwise due pursuant to sections 143.005 to 143.998 as the
17 amount of the taxpayer's Missouri adjusted gross income
18 derived from sources in the other taxing jurisdiction bears
19 to the taxpayer's Missouri adjusted gross income derived
20 from all sources. In applying the limitation of the
21 previous sentence to an estate or trust, Missouri taxable
22 income shall be substituted for Missouri adjusted gross
23 income. If the tax of more than one other taxing
24 jurisdiction is imposed on the same item of income, the
25 credit shall not exceed the limitation that would result if
26 the taxes of all the other jurisdictions applicable to the
27 item were deemed to be of a single jurisdiction.

28 3. **(1)** For the purposes of this section, in the case
29 of an S corporation, each resident S shareholder shall be
30 considered to have paid a tax imposed on the shareholder in
31 an amount equal to the shareholder's pro rata share of any
32 net income tax paid by the S corporation to a state which
33 does not measure the income of shareholders on an S
34 corporation by reference to the income of the S corporation
35 or where a composite return and composite payments are made
36 in such state on behalf of the S shareholders by the S
37 corporation.

38 (2) A resident S shareholder shall be eligible for a
39 credit issued pursuant to this section in an amount equal to
40 the shareholder's pro rata share of any income tax imposed
41 pursuant to chapter 143 on income derived from sources in
42 another state of the United States, or a political
43 subdivision thereof, or the District of Columbia, and which
44 is subject to tax pursuant to chapter 143 but is not subject
45 to tax in such other jurisdiction.

46 4. For purposes of subsection 3 of this section, in
47 the case of an S corporation that is a bank chartered by a
48 state, the Office of Thrift Supervision, or the comptroller
49 of currency, each Missouri resident S shareholder of such
50 out-of-state bank shall qualify for the shareholder's pro
51 rata share of any net tax paid, including a bank franchise
52 tax based on the income of the bank, by such S corporation
53 where bank payment of taxes are made in such state on behalf
54 of the S shareholders by the S bank to the extent of the tax
55 paid.

 143.436. 1. This section shall be known and may be
2 cited as the "SALT Parity Act".

3 2. For the purposes of this section, the following
4 terms shall mean:

5 (1) "Affected business entity", any partnership or S
6 corporation that elects to be subject to tax pursuant to
7 subsection 10 of this section;

8 (2) "Direct member", a member that holds an interest
9 directly in an affected business entity;

10 (3) "Indirect member", a member that itself holds an
11 interest, through a direct or indirect member that is a
12 partnership or an S corporation, in an affected business
13 entity;

14 (4) "Member":

- 15 (a) A shareholder of an S corporation;
- 16 (b) A partner in a general partnership, a limited
17 partnership, or a limited liability partnership; or
- 18 (c) A member of a limited liability company that is
19 treated as a partnership or S corporation for federal income
20 tax purposes;
- 21 (5) "Partnership", the same meaning as provided in 26
22 U.S.C. Section 7701(a)(2). The term "partnership" shall
23 include a limited liability company that is treated as a
24 partnership for federal income tax purposes;
- 25 (6) "S corporation", a corporation or limited
26 liability company that is treated as an S corporation for
27 federal income tax purposes;
- 28 (7) "Tax year", the tax year of a partnership or S
29 corporation for federal income tax purposes.

30 3. (1) Notwithstanding any provision of law to the
31 contrary, a tax is hereby imposed on each affected business
32 entity that is a partnership and that is doing business in
33 this state. Such affected business entity shall, at the
34 time that the affected business entity's return is due, pay
35 a tax in an amount equal to the sum of the separately and
36 nonseparately computed items, as described in 26 U.S.C.
37 Section 702(a), of the affected business entity, to the
38 extent derived from or connected with sources within this
39 state, as determined pursuant to section 143.455, decreased
40 by the deduction allowed under 26 U.S.C. Section 199A
41 computed as if such deduction was allowed to be taken by the
42 affected business entity for federal tax purposes, and
43 increased or decreased by any modification made pursuant to
44 section 143.471 that relates to an item of the affected
45 business entity's income, gain, loss, or deduction, to the
46 extent derived from or connected with sources within this

47 state, as determined pursuant to section 143.455, with such
48 sum multiplied by the highest rate of tax used to determine
49 a Missouri income tax liability for an individual pursuant
50 to section 143.011. An affected entity paying the tax
51 pursuant to this subsection shall include with the payment
52 of such taxes each report provided to a member pursuant to
53 subsection 7 of this section.

54 (2) If the amount calculated pursuant to subdivision
55 (1) of this section results in a net loss, such net loss may
56 be carried forward to succeeding tax years for which the
57 affected business entity elects to be subject to tax
58 pursuant to subsection 11 of this section until fully used.

59 4. (1) Notwithstanding any provision of law to the
60 contrary, a tax is hereby imposed on each affected business
61 entity that is an S corporation and that is doing business
62 in this state. Such affected business entity shall, at the
63 time that the affected business entity's return is due, pay
64 a tax in an amount equal to the sum of the separately and
65 nonseparately computed items, as described in 26 U.S.C.
66 Section 1366, of the affected business entity, to the extent
67 derived from or connected with sources within this state, as
68 determined pursuant to section 143.455, decreased by the
69 deduction allowed under 26 U.S.C. Section 199A computed as
70 if such deduction was allowed to be taken by the affected
71 business entity for federal tax purposes, and increased or
72 decreased by any modification made pursuant to section
73 143.471 that relates to an item of the affected business
74 entity's income, gain, loss, or deduction, to the extent
75 derived from or connected with sources within this state, as
76 determined pursuant to section 143.455, with such sum
77 multiplied by the highest rate of tax used to determine a
78 Missouri income tax liability for an individual pursuant to

79 section 143.011. An affected entity paying the tax pursuant
80 to this subsection shall include with the payment of such
81 taxes each report provided to a member pursuant to
82 subsection 7 of this section.

83 (2) If the amount calculated pursuant to subdivision
84 (1) of this section results in a net loss, such net loss may
85 be carried forward to succeeding tax years for which the
86 affected business entity elects to be subject to tax
87 pursuant to subsection 11 of this section until fully used.

88 5. If an affected business entity is a direct or
89 indirect member of another affected business entity, the
90 member affected business entity shall, when calculating its
91 net income or loss pursuant to subsections 3 or 4 of this
92 section, subtract its distributive share of income or add
93 its distributive share of loss from the affected business
94 entity in which it is a direct or indirect member to the
95 extent that the income or loss was derived from or connected
96 with sources within this state, as determined pursuant to
97 section 143.455.

98 6. A nonresident individual who is a member shall not
99 be required to file an income tax return pursuant to this
100 chapter for a tax year if, for such tax year, the only
101 source of income derived from or connected with sources
102 within the state for such member, or the member and the
103 member's spouse if a joint federal income tax return is or
104 shall be filed, is from one or more affected business
105 entities and such affected business entity or entities file
106 and pay the tax due under this section.

107 7. Each partnership and S corporation shall report to
108 each of its members, for each tax year, such member's direct
109 pro rata share of the tax imposed pursuant to this section
110 on such partnership or S corporation if it is an affected

111 business entity and its indirect pro rata share of the tax
112 imposed on any affected business entity in which such
113 affected business entity is a direct or indirect member.

114 8. (1) Each member that is subject to the tax imposed
115 pursuant to section 143.011 shall be entitled to a credit
116 against the tax imposed pursuant to section 143.011. Such
117 credit shall be in an amount equal to such member's direct
118 and indirect pro rata share of the tax paid pursuant to this
119 section by any affected business entity of which such member
120 is directly or indirectly a member.

121 (2) If the amount of the credit authorized by this
122 subsection exceeds such member's tax liability for the tax
123 imposed pursuant to section 143.011, the excess amount shall
124 not be refunded but may be carried forward to each
125 succeeding tax year until such credit is fully taken.

126 9. (1) Each member that is subject to the tax imposed
127 pursuant to section 143.011 as a resident or part-year
128 resident of this state shall be entitled to a credit against
129 the tax imposed pursuant to section 143.011 for such
130 member's direct and indirect pro rata share of taxes paid to
131 another state of the United States or to the District of
132 Columbia, on income of any partnership or S corporation of
133 which such person is a member that is derived therefrom,
134 provided the taxes paid to another state of the United
135 States or to the District of Columbia results from a tax
136 that the director of revenue determines is substantially
137 similar to the tax imposed pursuant to this section. Any
138 such credit shall be calculated in a manner to be prescribed
139 by the director of revenue, provided such calculation is
140 consistent with the provisions of this section, and further
141 provided that the limitations provided in subsection 2 of

142 section 143.081 shall apply to the credit authorized by this
143 subsection.

144 (2) If the amount of the credit authorized by this
145 subsection exceeds such member's tax liability for the tax
146 imposed pursuant to section 143.011, the excess amount shall
147 not be refunded and shall not be carried forward.

148 10. (1) Each corporation that is subject to the tax
149 imposed pursuant to section 143.071 and that is a member
150 shall be entitled to a credit against the tax imposed
151 pursuant to section 143.071. Such credit shall be in an
152 amount equal to such corporation's direct and indirect pro
153 rata share of the tax paid pursuant to this section by any
154 affected business entity of which such corporation is
155 directly or indirectly a member. Such credit shall be
156 applied after all other credits.

157 (2) If the amount of the credit authorized by this
158 subsection exceeds such corporation's tax liability for the
159 tax imposed pursuant to section 143.071, the excess amount
160 shall not be refunded but may be carried forward to each
161 succeeding tax year until such credit is fully taken.

162 11. A partnership or an S corporation may elect to
163 become an affected business entity that is required to pay
164 the tax pursuant to this section in any tax year. A
165 separate election shall be made for each taxable year. Such
166 election shall be made on such form and in such manner as
167 the director of revenue may prescribe by rule. An election
168 made pursuant to this subsection shall be signed by:

169 (1) Each member of the electing entity who is a member
170 at the time the election is filed; or

171 (2) Any officer, manager, or member of the electing
172 entity who is authorized to make the election and who

173 attests to having such authorization under penalty of
174 perjury.

175 12. The provisions of sections 143.425 and 143.601
176 shall apply to any modifications made to an affected
177 business entity's federal return, and such affected business
178 entity shall pay any resulting underpayment of tax to the
179 extent not already paid pursuant to section 143.425.

180 13. (1) With respect to an action required or
181 permitted to be taken by an affected business entity
182 pursuant to this section, a proceeding under section 143.631
183 for reconsideration by the director of revenue, an appeal to
184 the administrative hearing commission, or a review by the
185 judiciary with respect to such action, the affected business
186 entity shall designate an affected business entity
187 representative for the tax year, and such affected business
188 entity representative shall have the sole authority to act
189 on behalf of the affected business entity, and the affected
190 business entity's members shall be bound by those actions.

191 (2) The department of revenue may establish reasonable
192 qualifications and procedures for designating a person to be
193 the affected business entity representative.

194 (3) The affected business entity representative shall
195 be considered an authorized representative of the affected
196 business entity and its members under section 32.057 for the
197 purposes of compliance with this section, or participating
198 in a proceeding described in subdivision (1) of this
199 subsection.

200 14. The provisions of this section shall only apply to
201 tax years ending on or after December 31, 2022.

202 15. The department of revenue may promulgate rules to
203 implement the provisions of this section. Any rule or
204 portion of a rule, as that term is defined in section

205 536.010, that is created under the authority delegated in
206 this section shall become effective only if it complies with
207 and is subject to all of the provisions of chapter 536 and,
208 if applicable, section 536.028. This section and chapter
209 536 are nonseverable and if any of the powers vested with
210 the general assembly pursuant to chapter 536 to review, to
211 delay the effective date, or to disapprove and annul a rule
212 are subsequently held unconstitutional, then the grant of
213 rulemaking authority and any rule proposed or adopted after
214 August 28, 2022, shall be invalid and void.

407.475. 1. Except when specifically required or
2 authorized by federal law, no state agency or state official
3 shall impose any additional annual filing or reporting
4 requirements on an organization regulated or specifically
5 exempted from regulation under sections 407.450 to 407.478
6 that are more stringent, restrictive, or expansive than the
7 requirements authorized under section 407.462.

8 2. This section shall not apply to state grants or
9 contracts, nor investigations under section 407.472 and
10 shall not restrict enforcement actions against specific
11 charitable organizations. This section shall not apply to
12 labor organizations, as that term is defined in section
13 105.500.

14 3. This section shall not apply when an organization
15 regulated or specifically exempted from regulation under
16 sections 407.450 to 407.475 is providing any report or
17 disclosure required by state law to be filed with the
18 secretary of state.

431.201. As used in section 431.202, unless the
2 context otherwise requires, the following terms mean:

3 (1) "Business entity", any natural person, business,
4 corporation, limited liability company, series limited

5 liability company, partnership, sole or other
6 proprietorship, professional practice, or any other business
7 organization or commercial enterprise, whether for profit or
8 not for profit, including, without limitation, any successor
9 in interest to an entity who conducts business or who,
10 directly or indirectly, owns any equity interest, ownership,
11 or profit participation in the entity;

12 (2) "Customers with whom the employee dealt", each
13 customer or prospective customer:

14 (a) Who was serviced, directly or indirectly, by an
15 employee of a business entity;

16 (b) Whose business or other dealings with a business
17 entity were supervised, coordinated, or otherwise worked on,
18 directly or indirectly, by an employee;

19 (c) Who was solicited, produced, induced, persuaded,
20 encouraged, or otherwise dealt with, directly or indirectly,
21 by an employee;

22 (d) About whom an employee, directly or indirectly,
23 obtained, had knowledge of, had access to, or is in
24 possession of confidential business or proprietary
25 information or trade secrets in the course of or as a result
26 of the employee's relationship with the business entity;

27 (e) Who has purchased or otherwise obtained products
28 or services from a business entity and the sale or provision
29 of which resulted in compensation, commissions, earnings, or
30 profits to or for the employee within two years prior to the
31 end of the employee's employment or business relationship
32 with the business entity; or

33 (f) With whom an employee had contact, directly or
34 indirectly, of sufficient quality, frequency, and duration
35 during the employee's employment or other business

36 relationship with the business entity such that the employee
37 had influence over the customer;

38 (3) "Employee":

39 (a) A natural person currently or formerly employed or
40 retained by a business entity in any capacity, or who has
41 performed work for a business entity, including, but not
42 limited to, a member of a board of directors, an officer, a
43 supervisor, an independent contractor, or a vendor;

44 (b) A natural person who, by reason of having been
45 employed by or having a business relationship with a
46 business entity:

47 a. Obtained specialized skills, training, learning, or
48 abilities; or

49 b. Obtained, had knowledge of, had access to, or is in
50 possession of confidential or proprietary business
51 information or trade secrets of the business entity,
52 including, but not limited to, customer contact information
53 or information of or belonging to customers of the business
54 entity; or

55 (c) A current or former owner or seller of all or any
56 part of the assets of a business entity or of any interest
57 in a business entity, including, but not limited to, all or
58 any part of the shares of a corporation, a partnership
59 interest, a membership or membership interest in a limited
60 liability company or a series limited liability company, or
61 an equity interest, ownership, profit participation, or
62 other interest of any type in any business entity;

63 (d) The term "employee" set forth in this subdivision
64 shall be applicable only with respect to section 431.202 and
65 shall have no application in any other context. The term
66 "employee" is not intended, and shall not be relied upon, to
67 create, change, or affect the employment status of any

68 **natural person or the meaning of the terms "employee",**
69 **"employment", or "employer" that may be applicable in any**
70 **other context or pursuant to any other provision of law.**

431.202. 1. A reasonable covenant in writing
2 promising not to solicit, recruit, hire, **induce, persuade,**
3 **encourage,** or otherwise interfere with, **directly or**
4 **indirectly,** the employment **or other business relationship** of
5 one or more employees **of a business entity** shall be
6 enforceable and not a restraint of trade pursuant to
7 subsection 1 of section 416.031 if:

8 (1) Between two or more [**corporations or other**]
9 business entities seeking to preserve workforce stability
10 (which shall be deemed to be among the protectable interests
11 of each [**corporation or**] **such** business entity) during, and
12 for a reasonable period following, negotiations between such
13 [**corporations or**] **business** entities for the acquisition of
14 all or a part of one or more of such [**corporations or**]
15 **business** entities;

16 (2) Between two or more [**corporations or**] business
17 entities engaged in a joint venture or other legally
18 permissible business arrangement where such covenant seeks
19 to protect against possible misuse of confidential **business**
20 **or proprietary information** or trade [**secret business**
21 **information**] **secrets** shared or to be shared between or among
22 such [**corporations or**] entities;

23 (3) Between [**an employer**] **a business entity** and one or
24 more employees **of such business entity** seeking on the part
25 of the [**employer**] **business entity** to protect:

26 (a) Confidential **business or proprietary information**
27 or trade [**secret business information**] **secrets;** or

28 (b) Customer or supplier relationships, goodwill or
29 loyalty, which shall be deemed to be among the protectable
30 interests of the [employer] **business entity**; or

31 (4) Between [an employer] **a business entity** and one or
32 more employees **of such business entity**, notwithstanding the
33 absence of the protectable interests described in
34 subdivision (3) of this subsection, so long as such covenant
35 does not continue for more than [one year] **two years**
36 following the employee's employment **or business relationship**
37 **with the business entity**; provided, however, that this
38 subdivision shall not apply to covenants signed by employees
39 who provide only secretarial or clerical services **and who**
40 **own no shares, partnership interest, membership or**
41 **membership interest in a limited liability company or series**
42 **limited liability company, or equity interest, ownership,**
43 **profit participation, or other interest of any type in the**
44 **business entity.**

45 2. Whether a covenant covered by **subsection 1 of** this
46 section is reasonable shall be determined based upon the
47 facts and circumstances pertaining to such covenant, but a
48 covenant covered exclusively by subdivision (3) or (4) of
49 subsection 1 of this section shall be conclusively presumed
50 to be reasonable if its postemployment **or postbusiness**
51 duration is no more than [one year] **two years.**

52 3. **A reasonable covenant in writing promising not to**
53 **solicit, induce, persuade, encourage, service, accept**
54 **business from, or otherwise interfere with, directly or**
55 **indirectly, a business entity's customers, including,**
56 **without limitation, any reduction, termination, or transfer**
57 **of any customer's business, in whole or in part, for**
58 **purposes of providing any product or any service that is**
59 **competitive with those provided by the business entity,**

60 shall be enforceable, and not a restraint of trade pursuant
61 to subsection 1 of section 416.031, if the covenant is
62 limited to customers with whom the employee dealt during the
63 employee's employment or other business relationship with
64 the business entity, and if:

65 (1) The covenant is between a business entity and one
66 or more current or former employees of the business entity
67 and is not associated with the sale or ownership of all or
68 any part of:

69 (a) The assets of a business entity; or

70 (b) Any interest in a business entity, including, but
71 not limited to, all or any part of the shares of a
72 corporation, a partnership interest, a membership or
73 membership interest in a limited liability company or series
74 limited liability company, or an equity interest, ownership,
75 profit participation, or other interest of any type in any
76 business entity;

77 so long as the covenant does not continue for more than two
78 years following the end of the employee's employment or
79 business relationship with the business entity.

80 Notwithstanding the foregoing, this subdivision shall not
81 apply to covenants with current or former distributors,
82 dealers, franchisees, lessees of real or personal property,
83 or licensees of a trademark, trade dress, or service mark;

84 (2) The covenant is between a business entity and a
85 current or former distributor, dealer, franchisee, lessee of
86 real or personal property, or licensee of a trademark, trade
87 dress, or service mark, and is not associated with the sale
88 or ownership of all or any part of any of the items provided
89 in paragraphs (a) or (b) of subdivision (1) of this
90 subsection, so long as such covenant does not continue for

91 more than three years following the end of the business
92 relationship; or

93 (3) The covenant is between a business entity and the
94 owner or seller of all or any part of any of the items
95 provided in paragraphs (a) or (b) of subdivision (1) of this
96 subsection, so long as the covenant does not continue for
97 more than the longer of five years in duration or the period
98 of time during which payments are being made to the owner or
99 seller as a result of any sale measured from the date of
100 termination, closing, or disposition of such items.

101 (a) A breach or threatened breach of a covenant
102 described in this subdivision shall create a conclusive
103 presumption of irreparable harm in the absence of an
104 issuance of injunctive relief in connection with the
105 enforcement of the covenant, without the necessity of
106 establishing by prima facie evidence any actual or
107 threatened damages or harm. Nothing in this paragraph shall
108 be construed to change any other applicable evidentiary
109 standard or other standards necessary for obtaining
110 temporary, preliminary, or permanent injunctive relief
111 relating to the enforcement of covenants.

112 (b) A provision in writing by which an employee
113 promises to provide prior notice to a business entity of the
114 employee's intent to terminate, sell, or otherwise dispose
115 of all or any part of any of the items covered by this
116 subdivision shall be conclusively presumed to be
117 enforceable, and not a restraint of trade pursuant to
118 subsection 1 of section 416.031, if the specified notice
119 period is no longer than thirty days in duration and the
120 business entity agrees in writing to pay the employee at the
121 employee's regular rate of pay and to provide the employee
122 with the employee's regular benefits during the applicable

123 notice period even if the business entity does not require
124 the employee to provide services during the notice period.

125 4. Whether a covenant covered by subsection 3 of this
126 section is reasonable shall be determined based upon the
127 facts and circumstances pertaining to the covenant, but a
128 covenant covered by subdivisions (1) to (3) of subsection 3
129 of this section shall be conclusively presumed to be
130 reasonable if its postemployment, posttermination,
131 postbusiness relationship, postsale, or postdisposition
132 duration is consistent with the applicable duration set
133 forth in subdivisions (1) to (3) of subsection 3 of this
134 section.

135 5. No express reference to geographic area shall be
136 required for a covenant described in this section to be
137 enforceable.

138 6. If a covenant is overbroad, overlong, or otherwise
139 not reasonably necessary to protect the legitimate business
140 interests of the person seeking enforcement of the covenant,
141 a court shall modify the covenant, enforce the covenant as
142 modified, and grant only the relief reasonably necessary to
143 protect such interests.

144 7. Nothing in subdivision (3) or (4) of subsection 1
145 or subdivisions (1) to (3) of subsection 3 of this section
146 is intended to create, or to affect the validity or
147 enforceability of, [employer-employee] covenants not to
148 compete, other types of covenants, or nondisclosure or
149 confidentiality agreements, except as expressly provided in
150 this section.

151 [4.] 8. Nothing in this section shall preclude a
152 covenant described in subsection 1 of this section from
153 being enforceable in circumstances other than those
154 described in subdivisions (1) to (4) of subsection 1 of this

155 section, or a covenant described in subsection 3 of this
156 section from being enforceable in circumstances other than
157 those described in subdivisions (1) to (3) of subsection 3
158 of this section, where such covenant is reasonably necessary
159 to protect a party's legally permissible business interests.

160 [5.] 9. Except as otherwise expressly provided in this
161 section, nothing [is] in this section shall be construed to
162 limit an employee's ability to seek or accept employment
163 with another employer immediately upon, or at any time
164 subsequent to, termination of employment, whether said
165 termination was voluntary or nonvoluntary.

166 [6.] 10. This section shall have retrospective as well
167 as prospective effect.

431.203. 1. For purposes of this section, "covenant
2 not to compete" means an agreement, understanding, contract,
3 or contractual term in which an employee or prospective
4 employee agrees not to compete against an employer or
5 prospective employer or agrees not to accept any positions
6 with a competitor of an employer or prospective employer
7 following the termination of a business or employment
8 relationship between the employee or prospective employee
9 and the employer or prospective employer. A covenant not to
10 compete may, but need not, contain time-based or geographic
11 limitations.

12 2. Notwithstanding any provision of section 431.202 or
13 any other provision of law to the contrary, a covenant not
14 to compete shall be void and unenforceable to the extent
15 that it applies to an employment arrangement wherein an
16 employee is or would be paid hourly wages.

454.1005. 1. To show cause why suspension of a
2 license may not be appropriate, the obligor shall request a
3 hearing from the court or division that issued the notice of

4 intent to suspend the license. The request shall be made
5 within sixty days of the date of service of notice.

6 2. If an obligor fails to respond, without good cause,
7 to a notice of intent to suspend a license[,] **or to** timely
8 request a hearing or comply with a payment plan, [the
9 obligor's defenses and objections shall be considered to be
10 without merit and] the court or director may enter an order
11 suspending the obligor's license and ordering the obligor to
12 refrain from engaging in the licensed activity.

13 3. Upon timely receipt of a request for hearing from
14 an obligor, the court or director shall schedule a hearing
15 **that complies with due process** to determine if suspension of
16 the obligor's license is appropriate **considering all**
17 **relevant factors, including those factors listed in**
18 **subsection 4 of this section.** The court or director shall
19 stay suspension of the license pending the outcome of the
20 hearing.

21 4. [If the action involves an arrearage, the only
22 issues that may be determined in a hearing pursuant to this
23 section are] **In determining whether the license suspension**
24 **is appropriate under the circumstances, the court or**
25 **director shall consider and issue written findings of fact**
26 **and conclusions of law within thirty days following the**
27 **hearing regarding the following:**

28 (1) The identity of the obligor;
29 (2) Whether the arrearage is in an amount greater than
30 or equal to three months of support payments or two thousand
31 five hundred dollars, whichever is less, by the date of
32 service of a notice of intent to suspend; [and]

33 (3) Whether the obligor has entered a payment plan.
34 If the action involves a failure to comply with a subpoena
35 or order, the only issues that may be determined are the

36 identity of the obligor and whether the obligor has complied
37 with the subpoena or order;

38 (4) Whether the obligor had the ability to make the
39 payments that are in arrearage;

40 (5) Whether the obligor has the current ability to
41 make the payments;

42 (6) The reasons the obligor needs the license,
43 including, but not limited to:

44 (a) Transportation of family members to and from work,
45 school, or medical treatment;

46 (b) Transportation of the obligor or family members to
47 extra curricular activities; or

48 (c) A requirement for employment;

49 (7) Whether the obligor is unemployed or underemployed;

50 (8) Whether the obligor is actively seeking employment;

51 (9) Whether the obligor has engaged in job search and
52 job readiness assistance, including utilization of the state
53 employment database website;

54 (10) Whether the obligor has a physical or mental
55 impairment affecting his or her capacity to work; and

56 (11) Any other relevant factors that affect the
57 obligor's ability to make the child support payments.

58 5. If the court or director, after the hearing,
59 determines that the obligor has failed to comply with the
60 child support payment obligation and an arrearage exists in
61 excess of two thousand five hundred dollars for good cause,
62 then the court or director shall not issue an order
63 suspending the obligor's license and ordering the obligor to
64 refrain from engaging in the licensed activity or, if an
65 order is in place, shall stay such order. Good cause may
66 include loss of employment, excluding voluntarily quitting
67 or a dismissal due to poor job performance or failure to

68 meet a condition of employment; catastrophic illness or
69 accident of the obligor or a family member; severe inclement
70 weather, including a natural disaster; or the obligor
71 experiences a family emergency or other life-changing event,
72 including divorce or domestic violence.

73 6. If the court or director, after hearing, determines
74 that the obligor has failed, **without good cause**, to comply
75 with any of the requirements in subsection 4 of this
76 section, the court or director shall issue an order
77 suspending the obligor's license and ordering the obligor to
78 refrain from engaging in the licensed activity.

79 [6.] 7. The court or division shall send a copy of the
80 order suspending a license to the licensing authority and
81 the obligor by certified mail.

82 [7.] 8. The determination of the director, after a
83 hearing pursuant to this section, shall be a final agency
84 decision and shall be subject to judicial review pursuant to
85 chapter 536. Administrative hearings held pursuant to this
86 section shall be conducted by hearing officers appointed by
87 the director of the department pursuant to subsection 1 of
88 section 454.475.

89 [8.] 9. A determination made by the court or division
90 pursuant to this section is independent of any proceeding of
91 the licensing authority to suspend, revoke, deny, terminate
92 or renew a license.

650.570. 1. This act shall be known and may be cited
2 as the "Faith Without Fear Act".

3 2. The department of public safety shall distribute to
4 any not-for-profit religious organization a one-time grant
5 for the purpose of enhancing physical security, subject to
6 the requirements of this section. No not-for-profit

7 religious organization shall receive more than one grant
8 pursuant to this section.

9 3. Grants distributed under this section shall not
10 exceed seventy-five percent of the total cost of the
11 security enhancement.

12 4. Subject to appropriation, no more than twenty-five
13 million dollars shall be distributed under this section and
14 no more than two million five hundred thousand dollars shall
15 be distributed under this section in any fiscal year. No
16 more than fifty thousand dollars shall be distributed to any
17 one not-for-profit religious organization annually.

18 5. (1) The department of public safety shall create
19 an on-line application form as part of its website which
20 shall be the sole means of applying for grants under this
21 section. Any not-for-profit religious organization seeking
22 a grant under this section shall submit an application to
23 the department using such form on the department's website.
24 The not-for-profit religious organization shall submit
25 documents showing how it plans to enhance security,
26 including plans for how the not-for-profit religious
27 organization will cover the remaining twenty-five percent of
28 the cost for its security enhancement.

29 (2) In assessing the plans of a not-for-profit
30 religious organization for covering the remaining twenty-
31 five percent of the cost, the department shall only consider
32 costs for the following:

- 33 (a) Physical security enhancements;
- 34 (b) Security personnel costs;
- 35 (c) Installation costs;
- 36 (d) Costs related to increased square footage in the
37 not-for-profit religious organization's place of business;
- 38 (e) Employee and security training costs;

39 (f) New employee salaries; and
40 (g) Existing employee salaries due to new security
41 duties.

42 (3) Any not-for-profit religious organization applying
43 for a grant shall submit documentation to the department
44 showing how grant funds will be used.

45 6. The department shall prescribe the time of filing
46 applications and supervise the processing thereof, provided
47 that applications shall be accepted by the department
48 beginning October 1, 2022.

49 7. The department shall select qualified recipients to
50 receive grants and determine the manner and method of
51 payment to the recipients.

52 8. Any not-for-profit religious organization who
53 receives a grant pursuant to this section shall submit
54 documentation to the department no later than one year after
55 the distribution showing how the grant funds were spent.

56 9. In the case of a not-for-profit religious
57 organization with employees and locations in more than one
58 state, grant funds distributed pursuant to this section
59 shall be used only for locations in Missouri and employees
60 residing in Missouri.

61 10. For purposes of this section, the terms "enhancing
62 security" and "security enhancement" mean:

63 (1) Physical infrastructure security improvement
64 investments;

65 (2) Security risk assessment costs;

66 (3) Costs associated with employee training programs;
67 and

68 (4) Costs associated with upskilling employees with
69 security-related certifications or credentials.

70 11. For the purposes of this section, the term "not-
71 for-profit religious organization" means any church,
72 synagogue, mosque, or any entity that has or would qualify
73 for federal tax-exempt status as a not-for-profit religious
74 organization under Section 501(c) of the Internal Revenue
75 Code.

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