Journal of the Senate

FIRST REGULAR SESSION

FIFTY-EIGHTH DAY - MONDAY, APRIL 28, 2025

The Senate met pursuant to adjournment.

President Wasinger in the Chair.

The Reverend Stephen George offered the following prayer:

"You shall know the truth, and the truth shall make you free." (John 8:32 NKJV)

Heavenly Father, as we begin our session today, we pause to recognize that You are the source of all truth. We ask that You would grant us minds that are open to Your leading and hearts responsive to Your call. Inspire this body to act with integrity, to seek justice for all, and to honor the dignity inherent in every person. May our decisions reflect compassion and honesty. Empower us to be instruments of renewal, rooted in authenticity and grace. We ask this in Your Holy Name, Amen.

The Pledge of Allegiance to the Flag was recited.

A quorum being established, the Senate proceeded with its business.

The Journal for Thursday, April 24, 2025 was read and approved.

Photographers from the Associated Press were given permission to take pictures in the Senate Chamber.

The following Senators were present during the day's proceedings:

Present—Senators

Bean	Beck	Bernskoetter	Black	Brattin	Brown (26)	Burger
Carter	Cierpiot	Coleman	Crawford	Gregory (15)	Gregory (21)	Henderson
Hudson	Lewis	Luetkemeyer	May	McCreery	Moon	Mosley
Nicola	Nurrenbern	O'Laughlin	Roberts	Schnelting	Schroer	Trent
Washington	Webber	Williams—31				

Absent—Senators—None

Absent with leave—Senators

Brown (16)	Fitzwater	Hough—3

Vacancies—None

The Lieutenant Governor was present.

RESOLUTIONS

Senator Schroer offered Senate Resolution No. 401, regarding Haley Spirz, St. Charles, which was adopted.

Senator Schroer offered Senate Resolution No. 402, regarding Francis Howell Central High School library, Cottleville, which was adopted.

Senator Schroer offered Senate Resolution No. 403, regarding Gracyn Burke, Lake St. Louis, which was adopted.

Senator Schroer offered Senate Resolution No. 404, regarding Paige Jackson, O'Fallon, which was adopted.

Senator Lewis offered Senate Resolution No. 405, regarding AC Hotel Kansas City Downtown, Kansas City, which was adopted.

Senator Lewis offered Senate Resolution No. 406, regarding The Residences at Park 39, Kansas City, which was adopted.

Senator Henderson offered Senate Resolution No. 407, regarding Udipti Sinha, Valles Mines, which was adopted.

Senator Burger offered Senate Resolution No. 408, regarding Becky Richards, Ellington, which was adopted.

Senator Burger offered Senate Resolution No. 409, regarding Kristin Kaye Seyer, Oak Ridge, which was adopted.

Senator Burger offered Senate Resolution No. 410, regarding Betsy Swyres, Ellington, which was adopted.

Senator Webber offered Senate Resolution No. 411, regarding the old City Hall and Jailhouse, Columbia, which was adopted.

Senator Webber offered Senate Resolution No. 412, regarding Deb Sheals, Columbia, which was adopted.

Senator Brown (26) offered Senate Resolution No. 413, regarding Mary Corey, Freeburg, which was adopted.

Senator Bernskoetter offered Senate Resolution No. 414, regarding "The Foot: A Community Remembered", which was adopted.

Senator Hudson offered Senate Resolution No. 415, regarding the Seventy-Fifth Anniversary of Sanford Theodore Garland and Dorothy Arlene (Cooper) Garland, Shell Knob, which was adopted.

Senator Williams offered Senate Resolution No. 416, regarding Elyse Townsend, Florissant, which was adopted.

Senator Black offered Senate Resolution No. 417, regarding the Seventy-Fifth Anniversary of Burger Bar & Dari Maid, Carrollton, which was adopted.

Senators Bean and Black offered Senate Resolution No. 418, regarding Eagle Scout Cooper Schweizer, Savannah, which was adopted.

MESSAGES FROM THE HOUSE

The following messages were received from the House of Representatives through its Chief Clerk:

Madam President: I am instructed by the House of Representatives to inform the Senate that the House Conferees are allowed to exceed the differences on **CCR** for **SS** for **HCS** for **HBs 737** and **486**, as amended, on Section 537.046.

Also,

Madam President: I am instructed by the House of Representatives to inform the Senate that the House refuses to recede from its position on **HCS** for **SS** for **SCS** for **SBs 81** and **174**, as amended, and grants the Senate a conference thereon.

Also,

Madam President: I am instructed by the House of Representatives to inform the Senate that the House refuses to recede from its position on **HA 1**, **HA 2**, **HA 1** to **HA 3**, **HA 3**, as amended, **HA 4** to **SS** for **SB 28**, and grants the Senate a conference thereon.

Also,

Madam President: The Speaker of the House of Representatives has appointed the following committee to act with a like committee from the Senate on **HCS** for **SS** for **SCS** for **SBs 81** and **174**, as amended. Representatives: Taylor (48), Christ, Amato, Sharp (37), Crossley.

Also,

Madam President: The Speaker of the House of Representatives has appointed the following committee to act with a like committee from the Senate on **SS** for **SB 28**, as amended. Representatives: Brown (149), Justus, Baker, Clemens, Kimble.

Also,

Madam President: I am instructed by the House of Representatives to inform the Senate that the House refuses to adopt **SS** for **HCS** for **HBs 595** and **343**, as amended, and requests the Senate to recede from its position and failing to do so grant the House a conference thereon.

Also,

Madam President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and passed **HCS** for **SS** for **SCS** for **SB 68**, entitled:

An Act to repeal sections 160.077, 160.261, 160.263, 160.480, 160.518, 160.522, 160.660, 160.775, 160.2700, 160.2705, 160.2710, 161.670, 162.065, 162.069, 163.044, 163.045, 163.172, 167.020, 167.022, 167.115, 167.117, 167.151, 167.164, 167.624, 167.950, 168.021, 168.025, 168.036, 170.014, 170.048, 170.315, 173.232, 177.086, and 701.200, RSMo, and to enact in lieu thereof forty-five new sections relating to elementary and secondary education, with a penalty provision.

With HA 1, HA 2, HA 3, HA 4, HA 5, HA 6, HA 7, HA 8, HA 9, HA 10, HA 11, HA 12, and HA 13.

HOUSE AMENDMENT NO. 1

Amend House Committee Substitute for Senate Substitute for Senate Committee Substitute for Senate Bill No. 68, Page 16, Section 160.482, Line 36, by inserting after the number "**160.011**" the phrase "**. The term shall be construed to include a charter school**"; and

Further amend said bill, page, and section, Line 43, by deleting all of the said line and inserting in lieu thereof the following:

"**board of the school district or governing board of the charter school or a contract employee of**

the school district or charter school who is required to follow school"; and

Further amend said bill and section, Page 17, Lines 75 to 77, by deleting all of the said lines and inserting in lieu thereof the following:

"**(7) Integration of the plan into the local emergency services providers' protocols;**

(8) Both annual and continuous reviews and evaluations of the plan; and

(9) Registration of AEDs to a registry maintained by the Missouri 911 service board."; and

Further amend said bill and section, Page 18, Lines 96 to 98, by deleting all of the said lines; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 2

Amend House Committee Substitute for Senate Substitute for Senate Committee Substitute for Senate Bill No. 68, Page 53, Section 162.207, Line 48, by inserting after all of the said section and line the following:

"162.705. 1. If a school district or special district fails or is unable to provide special educational services to each handicapped or severely handicapped child as required in sections 162.670 to 162.995, the district shall contract with a nearby district or districts or public agency or agencies for such special educational services. If the board of education of the district finds that no adequate program for handicapped or severely handicapped children is available in nearby districts or through public agencies, it may contract with any organization within the state which has programs meeting the standards established by the state board of education. If such district fails to contract for such services, the state board of education may contract for such services with a nearby district or districts or public agency or agencies. If the state board of education finds, after investigation by the state department of education, that no adequate program for handicapped or severely handicapped children is available in nearby districts or through public agencies, the state board of education may contract with any organization within the state **or an adjacent state** which has programs meeting the standards established by the state board of education. Assignment of handicapped or severely handicapped children under this section shall be made to a particular school or program which, in the judgment of the state department of elementary and secondary education, can best provide special educational services to meet the needs of the child, and such assignment shall be made upon the basis of competent evaluation. The state board of education may seek the advice of established and ad hoc advisory committees in developing standards for approving programs and costs of programs operated by organizations. Nothing contained within this section shall be construed to affect the provisions of section 162.700 or 162.725.

2. Per pupil costs of contractual arrangements shall be the obligation of the district of residence, except districts which are part of a special school district, or special district of residence; provided, however, that if the contract is with another district or special district, the district providing the services under contractual arrangements shall include children served under such contractual arrangements in determining the total per pupil cost for which the district of residence is responsible. If the contract is with a public agency or an organization, the district of residence shall be entitled to receive state aid as provided in section 163.031

and in section 162.980. Where the state board of education contracts for special educational services pursuant to subsection 1 of this section, the state board of education shall submit to the responsible district a bill for the per pupil cost payable by that district under the terms of this subsection. Failure of a district to pay such cost within ninety days after a bill is submitted by the state board of education shall result in the deduction of the amount due by the state board of education from subsequent payments of state moneys due such district or special district.

3. If the state board of education determines, after inspection by the state department of elementary and secondary education and upon the recommendation of the commissioner of education, that handicapped or severely handicapped children residing within the district may better be provided special educational services by the district or special district of residence, the state board of education shall order the district to provide special educational services in accordance with sections 162.670 to 162.995.

4. If the state board of education determines, after public hearing before the commissioner of education held in the school district on due notice, that the district has failed to provide special educational services in accordance with an order issued under subsection 3 of this section, the state board of education shall withhold all or such portion of the state aid under sections 162.670 to 162.995 and under chapter 163 as in its judgment is necessary to require the district to carry out its responsibility under sections 162.670 to 162.995. The denial of state financial assistance hereunder may continue until the failure to provide special educational services is remedied.

5. No contract shall be made under sections 162.670 to 162.995 contrary to the provisions of Article I, Section 7 or Article IX, Section 8 of the Constitution of Missouri."; and

Further amend said bill, Page 79, Section 170.014, Line 17, by deleting the phrase "**may not include**" and inserting in lieu thereof the phrase "**shall not rely primarily on**"; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 3

Amend House Committee Substitute for Senate Substitute for Senate Committee Substitute for Senate Bill No. 68, Page 85, Section 173.232, Line 117, by inserting after all of the said section and line the following:

"**173.836. 1. This section shall be known and may be cited as the "Career-Tech Certificate (CTC) Program".**

2. As used in this section, the following terms mean:

(1) "Approved institution", an institution of postsecondary education that is subject to the coordinating board for higher education under section 173.005, offers eligible programs of study or training programs, and is at least one of the following:

(a) A public community college or vocational or technical school as provided under subsection 8 of section 160.545;

(b) A two-year private vocational or technical school authorized to obtain reimbursements under subsection 8 of section 160.545 as provided under subsection 10 of section 160.545;

(c) An approved virtual institution, as defined in section 173.1102; or

(d) An eligible training provider;

(2) "Department", the department of higher education and workforce development;

(3) "Eligible program of study", a program of instruction for which the required length for completion of such program does not exceed the equivalent of sixty credit hours or the equivalent under a different measure of student progress and that results in the award of a non-graduate-level certificate or other industry-recognized credential below the graduate level that has been designated by the coordinating board for higher education as preparing students to enter an area of occupational shortage as determined and updated annually by such board under subdivision (5) of subsection 2 of section 173.2553;

(4) "Eligible student", any student that meets the eligibility requirements for reimbursement of tuition, books, and fees under the "A+ Schools Program" created in section 160.545, or any student who has earned a career and technical education (CTE) certificate pursuant to the provisions of section 170.029 and in accordance with criteria outlined by the department of elementary and secondary education, provided that such student has not received a reimbursement for tuition, books, or fees under section 160.545;

(5) "Eligible training provider", a training organization listed in the state of Missouri eligible training provider system maintained by the office of workforce development in the department of higher education and workforce development that is not a four-year institution of higher education;

(6) "Training program", a program of study that leads to a certificate or degree and is offered by an approved institution but that does not meet the length-of-program requirements for an eligible program under 34 CFR 668.8, as amended. The term includes, but is not limited to:

(a) Certified nurse assistant (CNA) programs;

(b) Certified medication technician (CMT) programs;

(c) Level 1 medication aide (L1MA) programs;

(d) Insulin administration programs;

(e) Emergency medical technician (EMT) programs;

(f) Advanced emergency medical technician (AEMT) programs;

(g) Paramedic programs as described in chapter 190; or

(h) Commercial driver's license (CDL) programs.

3. (1) Beginning in the 2026-27 academic year and for all subsequent academic years, the department shall, by rule, establish a procedure for the reimbursement of the costs of tuition, books,

and fees from the career-tech certificate (CTC) program fund to the approved institution at which an eligible student is enrolled in an eligible program of study or a training program.

(2) No tuition reimbursements in excess of the tuition rate charged by a public community college for coursework offered by a two-year private vocational or technical school, approved virtual institution as defined under section 173.1102, or eligible training provider within the service area of such college shall be reimbursed under this section. This limitation shall not apply to a public vocational or technical school.

(3) (a) If a public community college or vocational or technical school offers the same or a substantially similar eligible program of study or training program as a private vocational or technical school, virtual institution, or eligible training provider at which an eligible student intends to enroll and the school or provider is located in the service region of the public community college or vocational or technical school that offers the same or similar program of study or training program, no tuition reimbursement shall be provided under this section for such eligible student unless, before the eligible student enrolls:

a. The private vocational or technical school, virtual institution, or eligible training provider requests authorization from the department for such tuition reimbursement; and

b. The department authorizes such request.

(b) The department shall:

a. Develop and adopt a tuition reimbursement authorization request form and a procedure for submitting such request;

b. Review and either authorize or deny such request within twenty business days of receiving an accurate, complete, and properly submitted request; and

c. If the department denies such request, provide the educational entity and the eligible student with the reasons for such denial.

(c) The department shall not deny a tuition reimbursement authorization request without good cause, as determined by the department on a case-by-case basis.

(4) The reimbursements provided under this section to a two-year private vocational or technical school, approved virtual institution as defined under section 173.1102, or eligible training provider shall not violate the provisions of Article IX, Section 8, or Article I, Section 7, of the Constitution of Missouri or the First Amendment to the Constitution of the United States.

4. (1) There is hereby created in the state treasury the "Career-Tech Certificate (CTC) Program Fund", which shall consist of any moneys appropriated annually by the general assembly, gifts, bequests, grants, public or private donations, or transfers. The state treasurer shall be custodian of the fund. In accordance with sections 30.170 and 30.180, the state treasurer may approve disbursements. The fund shall be a dedicated fund and, upon appropriation, moneys in this fund shall be used solely for reimbursements as provided in this section.

(2) Notwithstanding the provisions of section 33.080 to the contrary, any moneys remaining in the fund at the end of the biennium shall not revert to the credit of the general revenue fund.

(3) The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund.

5. No rule promulgated by the department under this section shall prohibit students enrolled in an eligible program of study or a training program from qualifying for tuition reimbursement under this section solely because the eligible program of study or training program does not meet the length-of-program requirements for an eligible program under 34 CFR 668.8, as amended, or because the eligible training provider at which a student enrolls does not participate in federal student aid programs.

6. Eligibility for tuition, books, and fees reimbursement to an approved institution as provided under this section shall expire upon the earliest of:

(1) Receipt of the reimbursement for the required length for completion of such program as determined by the department;

(2) A student's successful completion of an eligible program of study or training program; or

(3) A student's completion of one hundred fifty percent of the time usually required to complete an eligible program of study or training program.

7. The department may promulgate all necessary rules and regulations for the implementation and administration of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after the effective date of this act shall be invalid and void."; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 4

Amend House Committee Substitute for Senate Substitute for Senate Committee Substitute for Senate Bill No. 68, Page 71, Section 168.021, Line 72, by inserting after the first occurence of the word "education," the phrase "gifted education,"; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 5

Amend House Committee Substitute for Senate Substitute for Senate Committee Substitute for Senate Bill No. 68, Page 79, Section 168.331, Line 31, by inserting after all of the said section and line the following:

"168.407. **1.** There is hereby created the "Principal-Administrator Academy" under the auspices of the department of elementary and secondary education. The academy is not a single institution, but is an organizational framework for a wide array of educational and training programs for school leaders **in conjunction with statewide entities specifically established to support the development of principals and superintendents**, which may be conducted at several sites in the state by the department of elementary and secondary education, individually or through contract.

2. Programming for the academy shall include the development of:

(1) A review of all preparation programs of school administrators in the state of Missouri to ensure that the programs are of proper quality and the content of such programs are updated to reflect and educate students regarding the current academic, legal, financial, and societal realities in which administrators will be serving;

(2) A mentoring program dedicated to supporting individuals serving in their first four years of employment as a principal in the state of Missouri; and

(3) An early career coaching program dedicated to supporting and developing superintendents who are serving within their first four years as a superintendent in the state of Missouri.

168.409. **1.** The department of elementary and secondary education may charge a reasonable fee to cover the expenses and costs related to the services provided at the assessment center established under section 168.405 [or at the academy established under section 168.407]. Such fees shall be deposited in the excellence in education fund. Participant travel, living and incidental costs shall be at the expense of the participant, or may be reimbursed by a local school district.

2. (1) Funding for programming within the principal-administrators academy established in section 168.407 may include:

(a) Any federal funding made available that would support such programming;

(b) Moneys appropriated or deposited into to the excellence in education fund established in section 160.268; or

(c) Up to five percent of any funding appropriated for payments authorized under sections 168.500 to 168.515.

(2) The department, where applicable, may require matching funds be provided either by individuals participating in the programming or by the school districts that employ the individuals participating in the program.

168.500. 1. For the purpose of providing career pay, which shall be a salary supplement, for public school teachers, which for the purpose of sections 168.500 to 168.515 shall include classroom teachers, librarians, school counselors and certificated teachers who hold positions as school psychological examiners, parents as teachers educators, school psychologists, special education diagnosticians and speech pathologists, and are on the district salary schedule, there is hereby created and established a career advancement program which shall be known as the "Missouri Career Development and Teacher Excellence Plan", hereinafter known as the "career plan or program". Participation by local school districts in the career advancement program established under this section shall be voluntary. The career

advancement program is a matching fund program. The general assembly may make an annual appropriation to the excellence in education fund established under section 160.268 for the purpose of providing the state's portion for the career advancement program. The "Career Ladder Forward Funding Fund" is hereby established in the state treasury. Beginning with fiscal year 1998 and until the career ladder forward funding fund is terminated pursuant to this subsection, the general assembly may appropriate funds to the career ladder forward funding fund. Notwithstanding the provisions of section 33.080 to the contrary, moneys in the fund shall not be transferred to the credit of the general revenue fund at the end of the biennium. All interest or other gain received from investment of moneys in the fund shall be credited to the fund. All funds deposited in the fund shall be maintained in the fund until such time as the balance in the fund at the end of the fiscal year is equal to or greater than the appropriation for the career ladder program for the following year, at which time all such revenues shall be used to fund, in advance, the career ladder program for such following year and the career ladder forward funding fund shall thereafter be terminated.

2. The department of elementary and secondary education, at the direction of the commissioner of education, shall study and develop model career plans which shall be made available to the local school districts. These state model career plans shall:

(1) Contain three steps or stages of career advancement;

(2) Contain a detailed procedure for the admission of teachers to the career program;

(3) Contain specific criteria for career step qualifications and attainment. These criteria shall clearly describe the minimum number of professional responsibilities required of the teacher at each stage of the plan and shall include reference to classroom performance evaluations performed pursuant to section 168.128. The criteria may include, but shall not be limited to, teacher externships as provided in section 168.025;

(4) Be consistent with the teacher certification process recommended by the Missouri advisory council of certification for educators and adopted by the department of elementary and secondary education;

(5) Provide that public school teachers in Missouri shall become eligible to apply for admission to the career plans adopted under sections 168.500 to 168.515 after two years of public school teaching in Missouri, except that such two-year requirement shall not apply to any member of the Armed Forces of the United States or such member's spouse who has teaching experience in another state and who has transferred to this state. All teachers seeking admission to any career plan shall, as a minimum, meet the requirements necessary to obtain the first renewable professional certificate as provided in section 168.021;

(6) Provide procedures for appealing decisions made under career plans established under sections 168.500 to 168.515.

3. School district career plans shall recognize additional responsibilities and volunteer efforts by teachers in formulating criteria for career ladder admission and stage achievement. Such additional responsibilities and volunteer efforts outside of the duties that require a teaching certificate under section 168.021 may include, but shall not be limited to:

(1) Serving as a coach, supervisor, or organizer for any extracurricular activity for which the teacher

does not already receive additional compensation;

(2) Serving as a mentor for students or teachers, whether in a formal or informal capacity;

(3) Receiving additional teacher training or certification outside of that offered by the school district;

(4) Serving as a tutor or providing additional learning opportunities to students; and

(5) Assisting students with postsecondary education preparation including, but not limited to, teaching an ACT or SAT preparation course or assisting students with completing college or career school admission or financial assistance applications.

4. The commissioner of education shall cause the department of elementary and secondary education to establish guidelines for all career plans established under this section, and criteria that must be met by any school district which seeks funding for its career plan.

5. A participating local school district may have the option of implementing a career plan developed by the department of elementary and secondary education or a local plan which has been developed with advice from teachers employed by the district and which has met with the approval of the department of elementary and secondary education. In approving local career plans, the department of elementary and secondary education may consider provisions in the plan of the local district for recognition of teacher mobility from one district to another within this state.

6. The career plans of local school districts shall not discriminate on the basis of race, sex, religion, national origin, color, creed, or age. Participation in the career plan of a local school district is optional, and any teacher who declines to participate shall not be penalized in any way.

7. In order to receive funds under this section, a school district which is not subject to section 162.920 must have a total levy for operating purposes which is in excess of the amount allowed in Section 11(b) of Article X of the Missouri Constitution; and a school district which is subject to section 162.920 must have a total levy for operating purposes which is equal to or in excess of twenty-five cents on each hundred dollars of assessed valuation.

8. The commissioner of education shall cause the department of elementary and secondary education to regard a speech pathologist who holds both a valid certificate of license to teach and a certificate of clinical competence to have fulfilled the standards required to be placed on stage III of the career program, provided that such speech pathologist has been employed by a public school in Missouri for at least two years and is approved for placement at such stage III by the local school district.

9. Beginning in fiscal year 2012, the state portion of career ladder payments shall only be made available to local school districts if the general assembly makes an appropriation for such program. Payments authorized under sections 168.500 to 168.515 shall only be made available in a year for which a state appropriation is made. Any state appropriation shall be made prospectively in relation to the year in which work under the program is performed **and, pursuant to section 168.409, a portion of the moneys appropriated for the purposes of this section may be used to fund the principal-administrator academy program for school leaders established in section 168.407**.

10. Nothing in this section shall be construed to prohibit a local school district from funding the program for its teachers for work performed in years for which no state appropriation is made available.";

and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 6

Amend House Committee Substitute for Senate Substitute for Senate Committee Substitute for Senate Bill No. 68, Page 29, Section 160.664, Line 43, by inserting after all of the said section and line the following:

"**160.701. 1. For purposes of this section, the following terms mean:**

(1) "Active duty", any person who is on full-time duty status in the active uniformed service of the United States, including members of the National Guard and Reserve on active duty orders pursuant to 10 U.S.C. Section 1209 and 1211;

(2) "Activities association", any nonprofit statewide organization that facilitates interscholastic activities for secondary school students, and whose members include at least one public school district that pays any fees to such association, including, but not limited to, activity participation fees, tournament registration fees, membership fees, or any other fees relating to membership in such association or participation in any activities facilitated by such association.

2. Notwithstanding any provision of law to the contrary, a statewide activities association shall not require any student who is on active duty to attend a minimum number of practices as a condition of such student's membership on any group or team facilitated or overseen by such association."; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 7

Amend House Committee Substitute for Senate Substitute for Senate Committee Substitute for Senate Bill No. 68, Page 85, Section 173.232, Line 117, by inserting after said section and line the following:

"173.1352. 1. As used in this section, the following terms mean:

(1) "Advanced placement examination", any examination administered through the College Board's Advanced Placement Program (AP);

(2) "Institution", any in-state public community college, college, or university that offers postsecondary freshman-level courses**;**

(3) "International baccalaureate examination", any examination for assessment purposes administered through the International Baccalaureate Organization at the end of the International Baccalaureate Diploma Programme.

2. (1) Each institution shall adopt and implement a policy to grant undergraduate course credit to entering freshman students for each advanced placement examination upon which such student achieves a score of three or higher**, or each international baccalaureate examination for an international**

baccalaureate diploma programme course upon which such student achieves a score of 4 or higher, for any similarly correlated course offered by the institution at the time of such student's acceptance into the institution.

(2) In the policy, the institution shall:

(a) Establish the institution's conditions for granting course credit; and

(b) Identify the specific course credit or other academic requirements of the institution, including the number of semester credit hours or other course credit, that the institution will grant to a student who achieves required scores on advanced placement examinations **or international baccalaureate examinations**.

3. On request of an applicant for admission as an entering freshman, and based on information provided by the applicant, an institution shall determine and notify the applicant regarding:

(1) The amount and type of any course credit that would be granted to the applicant under the policy; and

(2) Any other academic requirement that the applicant would satisfy under the policy."; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 8

Amend House Committee Substitute for Senate Substitute for Senate Committee Substitute for Senate Bill No. 68, Page 39, Section 160.1055, Line 100, by inserting after all of the said section and line the following:

"160.2501. 1. This section shall be known and may be cited as the "Missouri Religious Liberty in Schools Awareness Act".

2. Each public school shall post a statement containing the following or substantially similar information:

> **The Missouri Religious Liberty in Schools Awareness Act requires that students and employees of public schools that are operated at public expense be advised and therefore, encouraged regarding constitutional rights and liberties in the educational setting that are assured by the First Amendment to the United States Constitution, free from government coercion:**
>
> **For public school students, such rights and liberties include, but are not limited to, that a student may, in a manner that does not interrupt or displace the educational mission of the public school:**
>
> **Express the student's beliefs about religion to others;**

Pray or engage in religious expression or read the Bible or other religious texts or materials during free time including, but not limited to, in the classroom;

When relevant to the subject matter, express the student's beliefs about religion in a class assignment; and

Form, organize, and participate or refrain from participating in, prayer groups, religious clubs and other religious gatherings if other secular groups, clubs, and gatherings are permitted.

For public school employees, such rights and liberties include, but are not limited to, that an employee may, in a manner that does not interrupt or displace the educational mission of the public school:

Respectfully discuss the employee's faith with other school employees;

When relevant to the subject matter, discuss the influence of religion on history and culture;

Enjoy the accommodation of the employee's religious beliefs as required by law;

Sponsor student religious clubs if secular student clubs are sponsored; and

Enjoy freedom from religious discrimination as provided by law.

3. (1) The statement required to be posted under this section shall be posted in a prominent location in each of such public school's buildings in which the academic instruction of students actually and regularly occurs.

(2) Such statement shall be posted in a similar form and manner as other information required by law is posted.

4. The provisions of this section shall be construed to be consistent and in conjunction with section 160.2500."; and

Further amend said bill, Page 41, Section 160.2710, Line 10, by inserting after all of the said section and line the following:

"[161.026. 1. Notwithstanding the provisions of section 161.032 or any other provision of law, the governor shall, by and with the advice and consent of the senate, appoint a teacher representative to the state board of education, who shall attend all meetings and participate in all deliberations of the board.

The teacher representative shall not have the right to vote on any matter before the board or be counted in establishing a quorum under section 161.082.

2. The teacher representative shall be an active classroom teacher. For purposes of this section, "active classroom teacher" means a resident of the state of Missouri who is a full-time teacher with at least five years of teaching experience in the state of Missouri, who is certified to teach under the laws governing the certification of teachers in Missouri, and who is not on leave at the time of the appointment to the position of teacher representative. The teacher representative shall have the written support of the local school board prior to accepting the appointment.

3. The term of the teacher representative shall be four years, and appointments made under this section shall be made in rotation from each congressional district beginning with the first congressional district and continuing in numerical order.

4. If a vacancy occurs for any reason in the position of teacher representative, the governor shall appoint, by and with the advice and consent of the senate, a replacement for the unexpired term. Such replacement shall be a resident of the same congressional district as the teacher representative being replaced, shall meet the qualifications set forth under subsection 2 of this section, and shall serve until his or her successor is appointed and qualified.

5. If the teacher representative ceases to be an active classroom teacher, as defined under subsection 2 of this section, or fails to follow the board's attendance policy, the teacher representative's position shall immediately become vacant unless an absence is caused by sickness or some accident preventing the representative's arrival at the time and place appointed for the meeting.

6. The teacher representative shall receive the same reimbursement for expenses as members of the state board of education receive under section 161.022.

7. At no time shall more than one nonvoting member serve on the state board of education.

8. The provisions of this section shall expire on August 28, 2026.]

161.026. 1. Notwithstanding the provisions of section 161.032 or any other provision of law, the governor shall, by and with the advice and consent of the senate, appoint a teacher representative to the state board of education who shall attend all meetings and participate in all deliberations of the board. The teacher representative shall not have the right to vote on any matter before the board or be counted in establishing a quorum under section 161.082.

2. The teacher representative shall be an active classroom teacher. For purposes of this section, "active classroom teacher" means a resident of the state of Missouri who is a full-time teacher with at least five years of teaching experience in the state of Missouri, who is certified to teach under the laws governing the certification of teachers in Missouri, and who is not on leave at the time of the appointment to the position of teacher representative. The teacher representative shall have the written support of the local school board prior to accepting the appointment.

3. The term of the teacher representative shall be four years, and [appointments made under this section shall be made in rotation from each congressional district beginning with the first congressional district and continuing in numerical order] **for the second and succeeding appointments, the newly appointed teacher representative shall not be appointed from the same congressional district as the**

two immediately preceding teacher representatives.

4. If a vacancy occurs for any reason in the position of teacher representative, the governor shall appoint, by and with the advice and consent of the senate, a replacement for the unexpired term. Such replacement shall be a resident of the same congressional district as the teacher representative being replaced, shall meet the qualifications set forth under subsection 2 of this section, and shall serve until his or her successor is appointed and qualified. If the general assembly is not in session at the time for making an appointment, the governor shall make a temporary appointment until the next session of the general assembly, when the governor shall nominate a person to fill the position of teacher representative.

5. If the teacher representative ceases to be an active classroom teacher, as defined under subsection 2 of this section, or fails to follow the board's attendance policy, the teacher representative's position shall immediately become vacant unless an absence is caused by sickness or some accident preventing the teacher representative's arrival at the time and place appointed for the meeting.

6. The teacher representative shall receive the same reimbursement for expenses as members of the state board of education receive under section 161.022.

7. At no time shall more than one nonvoting member serve on the state board of education.

[8. The provisions of this section shall expire on August 28, 2025.]

161.355. 1. This section shall be known and may be cited as the "Media Literacy and Critical Thinking Act".

2. As used in this section, "media literacy" means the following:

(1) An individual's ability to access, analyze, evaluate, and participate with all forms of media, such as:

(a) News in print; and

(b) Social media content, such as images, text, video, and other media content;

(2) An individual's ability to recognize bias and stereotypes in media messages;

(3) The foundational skills of digital citizenship and internet safety; and

(4) In the classroom, media literacy includes integrating the process of critical analysis of media messages into the daily classroom curricula.

3. The department of elementary and secondary education shall establish the "Media Literacy and Critical Thinking Pilot Program". Such pilot program shall be implemented and administered during the 2026-27 and 2027-28 school years.

4. Under the media literacy and critical thinking pilot program, the department of elementary and secondary education shall select five to seven diverse school districts to participate in the pilot program and from which to study data related to the outcomes of the pilot program in such school districts.

5. A pilot program site shall:

(1) Address each component of media literacy;

(2) Develop successful strategies for student learning within the daily classroom curricula in all grades or for a selected preschool to grade twelve level;

(3) Identify high-quality resources for such pilot program; and

(4) Demonstrate and report how such site addresses the following in the classroom:

(a) News content literacy, which is the ability to access, analyze, evaluate, and distinguish verified information from opinion and propaganda and the opportunity to practice verification;

(b) Visual literacy, which is the ability to find, interpret, and evaluate images and visual media such as photographs, videos, illustrations, drawings, maps, diagrams, and advertisements;

(c) Digital fluency, which is the ability to understand and follow the norms of safe and responsible technology use and how media influences attitudes and behaviors; and

(d) Digital literacy, which is the ability to be technically fluent and able to make informed decisions about content encountered online, recognize how networked technology affects behavior and perception, and create and effectively communicate with digital media tools.

6. The guidelines developed as a result of the study of the information gained from the pilot program shall provide students with the following information:

(1) The purpose and acceptable use of various social media platforms;

(2) Social media behavior that ensures cybersafety, cybersecurity, and cyber ethics;

(3) The potential negative consequences of failing to use various social media platforms responsibly, such as cyberbullying;

(4) The ability to access, analyze, evaluate, create, and act on all forms of digital and written communications;

(5) Digital ethics, etiquette, respectful discourse with individuals who have differing opinions, safety, security, digital footprints, and the identification of rhetoric that incites violence;

(6) Cyberbullying prevention and response;

(7) The significance of algorithms;

(8) Ways to identify online misinformation;

(9) A general knowledge of the economic structure of the digital landscape; and

(10) The importance of the right to freedom of speech as contained in the Bill of Rights of the Constitution of the United States including, but not limited to:

(a) The central role that the right to freedom of speech has in the history of the United States; and

(b) The applicability of protections for freedom of speech for online interaction in school settings

that the department of elementary and secondary education shall provide to school districts.

7. The guidelines developed as a result of the study of the information gained from the pilot program shall provide school districts with samples of learning activities, resources, and training that promote critical thinking and the skills necessary to evaluate all forms of media.

8. Before August 1, 2028, each pilot program site shall submit a report to the department of elementary and secondary education describing the implementation of and the information gained from the pilot program.

9. Before January 1, 2029, the department of elementary and secondary education shall compile the reports submitted from the pilot program sites and submit a summary report to the general assembly containing at least the following information:

(1) Qualitative and quantitative insights on how the pilot program sites addressed media literacy;

(2) A compendium of high-quality strategies and resources used by educators;

(3) Any professional development used or required;

(4) Recommendations about what facilities, instructional materials, and technologies are needed to implement a media literacy and critical thinking program statewide;

(5) Exploration of additional policies, administrative mechanisms, and legislative recommendations for implementing best practices and standards statewide; and

(6) A draft of proposed clear, inclusive media literacy and critical thinking state standards for preschool to grade twelve, compiled by drawing from key media literacy skills and competencies in existing state standards and from the pilot program results.

10. Standards developed under this section shall be included for consideration by the department of elementary and secondary education during the state standards review immediately following the termination of the pilot program.

11. The media literacy and critical thinking pilot program shall terminate on June 30, 2028.

12. This section shall expire on December 31, 2028."; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 9

Amend House Committee Substitute for Senate Substitute for Senate Committee Substitute for Senate Bill No. 68, Page 65, Section 167.151, Line 68, by deleting all of the said line and inserting in lieu thereof the following:

"**district or charter school, or public school employer in such district or charter school in any job title or position that is**"; and

Further amend said bill, page and section, Line 71, by inserting after the word "**district**" the phrase "**,**

or charter school,"; and

Further amend said bill, page, and section, Line 74, by deleting the phrase "**district or public school in such district**" and inserting in lieu thereof the phrase "**district, public school in such district, or charter school**"; and

Further amend said bill, page, and section, Line 77, by inserting after the word "**district**" the phrase "**or charter school**"; and

Further amend said bill and section, Page 66, Lines 78-79, by deleting all of the said lines and inserting in lieu thereof the following:

"**district other than the child's school district of residence, a public school in such district, or a charter school and such child may attend school in such nonresident school district or nonresident charter.**"; and

Further amend said bill, page, and section, Lines 80 to 85, by deleting all of the said lines and inserting in lieu thereof the following:

"**(b) Such nonresident school district, or charter school shall allow the child to attend school in the same manner in which the district or charter school allows other pupils who are entitled to free instruction to attend school in the district or charter school and without paying a tuition fee.**

(c) Such child shall be considered a resident pupil of such nonresident district or charter school under the definition of average daily attendance in section 163.011, except that for a student attending a nonresident charter school, the charter school shall receive a state payment under section 163.031 based on the weighted average daily attendance of such transferring student enrolled with the charter school LEA times the state adequacy target times the dollar value modifier and that the provisions of subsections 15 to 18 of section 160.415 shall not apply to any nonresident student attending a charter school.

(d) If such child wishes to attend a school within the nonresident district or charter school that is a"; and

Further amend said bill, lines 89 to 98, by deleting all of the said lines and inserting in lieu thereof the following:

"**(3) The school district, charter school, or public school may require:**

(a) A contractor to provide documentation showing that such contractor meets the requirements of this subsection; and

(b) A contractor or regular employee to have worked a minimum number of days, not to exceed sixty, for such contractor's or regular employee's child to be eligible to attend school in such nonresident school district, or charter school under this subsection.

(4) Neither the resident district or charter schoolnor nonresident district or charter school shall be responsible for providing transportation services under this subsection.

(5) If the parent of a nonresident child attending school under this subsection ceases to be a

contractor or regular employee of a school district or charter school, the child may complete";and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 10

Amend House Committee Substitute for Senate Substitute for Senate Committee Substitute for Senate Bill No. 68, Page 41, Section 160.2710, Line 10, by inserting after all of the said section and line the following:

"**161.264. 1. Subject to appropriation, the department of elementary and secondary education shall establish a statewide program to be known as the "STEM Career Awareness Activity Program" to increase STEM career awareness among students in grades nine through twelve. For the purposes of this section, "STEM" means science, technology, engineering, and mathematics.**

2. The department of elementary and secondary education shall promote the statewide program beginning in the 2026-27 school year. The program shall introduce students in grades nine through twelve to a wide variety of STEM careers and technology through an activity program that involves participating in STEM-related activities at state, national, or international competitions.

3. (1) By January 1, 2026, the department of elementary and secondary education shall solicit proposals to provide the activity program. By March 1, 2026, the department of elementary and secondary education shall select a provider for the program.

(2) The department shall select a provider that presents quantitative or qualitative data demonstrating the effectiveness of the program in any of the following areas:

(a) Helping teachers improve their instruction in STEM-related subjects;

(b) Increasing the likelihood that students will go on to study a STEM-related subject at a four-year college upon graduation from high school; or

(c) Increasing the likelihood that students will enter the STEM workforce upon graduation from high school or college.

(3) The department shall select a provider that delivers a program that meets the following criteria:

(a) Provides an activity program that is led by teachers who are fully certified to teach in STEM-related subjects in grades nine through twelve under the laws governing the certification of teachers in Missouri; and

(b) Facilitates a cohort of students in grades nine through twelve to participate in STEM-related activities at state, national, or international competitions.

4. Notwithstanding the provisions of subsections 2 and 3 of this section to the contrary, the department of elementary and secondary education may choose a third-party nonprofit entity to implement the statewide program, solicit proposals, and select a provider as described under subsection 3 of this section.

5. There is hereby created in the state treasury the "STEM Career Awareness Activity Fund". The fund shall consist of any appropriations, gifts, bequests, or public or private donations to such fund. The state treasurer shall be custodian of the fund. In accordance with sections 30.170 and 30.180, the state treasurer may approve disbursements of public moneys in accordance with distribution requirements and procedures developed by the department of elementary and secondary education. The fund shall be a dedicated fund and, upon appropriation, moneys in the fund shall be used solely for the administration of this section. The state treasurer shall invest moneys in the fund in the same manner as other funds are invested. Any interest and moneys earned on such investments shall be credited to the fund.

6. The department of elementary and secondary education may promulgate all necessary rules and regulations for the administration of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after the effective date of this act shall be invalid and void."; and

Further amend said bill, Page 68, Section 167.624, Line 10, by inserting after all of the said section and line the following:

"167.850. 1. As used in this section, the following terms mean:

(1) "Board", the state board of education;

(2) "Commissioner", the commissioner of education;

(3) "Recovery high school", a **[**public**]** high school that serves eligible students diagnosed with substance use disorder or dependency as defined by the most recent Diagnostic and Statistical Manual of Mental Disorders and that provides both a comprehensive four-year high school education in an alternative **[**public**]** school setting and a structured plan of recovery;

(4) "Sending district", the school district where a student attending or planning to attend the recovery high school resides and from which the student is referred for enrollment in a recovery high school**;**

(5) "Sponsoring entity", the state department of elementary and secondary education, a school district, a magnet school, a charter school, a private school as defined in section 166.700, or any combination of such entities.

2. (1) The commissioner may approve and authorize up to four pilot recovery high schools, geographically located in metropolitan areas throughout the state, to be established by **[**school districts or groups of school districts**] a sponsoring entity** for the purpose of demonstrating the effectiveness of the recovery high school model in this state. The commissioner shall issue a request for proposals from **[**school districts**] sponsoring entities** to operate a pilot recovery high school. Such proposals may be submitted by an individual **[**school district**] sponsoring entity** proposing to operate a recovery high school or by a group of **[**school districts**] sponsoring entities** proposing to jointly operate such a school. Such

proposals shall be submitted to the commissioner no later than July first of the school year prior to the school year in which the recovery high school is proposed to begin operation. The approval of the board shall be required for the recovery high school to begin operation.

(2) Proposals shall detail how the **[**district or districts**]** **sponsoring entity** will satisfy the criteria for a high school education program under state law and board rule and how the recovery high school will satisfy the requirements for accreditation by the Association of Recovery Schools or another recovery school accreditation organization authorized by the board. The proposal shall include a financial plan outlining the anticipated public and private funding that will allow the recovery high school to operate and meet the school's educational and recovery criteria. The **[**district or districts**]** **sponsoring entity** may partner with one or more local nonprofit organizations or other local educational agencies regarding establishment and operation of a recovery high school and may establish a joint board to oversee the operation of the recovery high school as provided in a memorandum of understanding entered with such organization or organizations.

(3) By approval of the proposal upon the recommendation of the commissioner, the board shall be deemed to have authorized all necessary equivalencies and waivers of regulations enumerated in the proposal.

(4) The commissioner may specify an authorization period for the recovery high school, which shall be no less than four years. Before July first of each year the recovery high school is in operation, the **[**school district or group of school districts**]** **sponsoring entity**, in consultation with the recovery high school, shall submit to the commissioner an analysis of the recovery high school's educational, recovery, and other related outcomes as specified in the proposal. The commissioner shall review the analysis and renew any recovery high school meeting the requirements of this section and the requirements of the school's proposal and may include terms and conditions to address areas needing correction or improvement. The commissioner may revoke or suspend the authorization of a recovery high school not meeting the requirements of this section or the requirements of the school's proposal.

(5) Pupil attendance, dropout rate, student performance on statewide assessments, and other data considered in the Missouri school improvement program and school accreditation shall not be attributed to the general accreditation of either a sending district or the **[**district or districts**]** **sponsoring entity** operating the recovery high school and may be used by the commissioner only in the renewal process for the recovery high school as provided in this subsection.

3. (1) A school district may enter into an agreement with a **[**district or districts**]** **sponsoring entity** operating a recovery high school for the enrollment of an eligible student who is currently enrolled in or resides in the sending district.

(2) A parent or guardian may seek to enroll an eligible student residing in a sending district in a recovery high school created under this section. A student over eighteen years of age residing in a sending district may seek to enroll in a recovery high school.

(3) An "eligible student" shall mean a student who is in recovery from substance use disorder or substance dependency, or such a condition along with co-occurring disorders such as anxiety, depression, and attention deficit hyperactivity disorder, and who is determined by the recovery high school to be a student who would academically and clinically benefit from placement in the recovery high school and is

committed to working on the student's recovery. The recovery high school shall consider available information including, but not limited to, any recommendation of a drug counselor, alcoholism counselor, or substance abuse counselor licensed or certified under applicable laws and regulations.

(4) A recovery high school shall not limit or deny admission to an eligible student based on race, ethnicity, national origin, disability, income level, proficiency in the English language, or athletic ability.

4. (1) The recovery high school shall annually adopt a policy establishing a tuition rate for its students no later than February first of the preceding school year.

(2) The sending district of an eligible student who is enrolled in and attending a recovery high school shall pay tuition to the recovery high school equal to the lesser of:

(a) The tuition rate established under subdivision (1) of this subsection; or

(b) The state adequacy target, as defined in section 163.011, plus the average sum produced per child by the local tax effort above the state adequacy target of the sending district.

(3) If costs associated with the provision of special education and related disability services to the student exceed the tuition to be paid under subdivision (2) of this subsection, the sending district shall remain responsible for paying the excess cost to the recovery high school.

(4) The commissioner may enter into an agreement with the appropriate official or agency of another state to develop a reciprocity agreement for otherwise eligible, nonresident students seeking to attend a recovery high school in this state. A recovery high school may enroll otherwise eligible students residing in a state other than this state as provided in such reciprocity agreement. Such reciprocity agreement shall require the out-of-state student's district of residence to pay to the recovery high school an annual amount equal to one hundred five percent of the tuition rate for the recovery high school established under this subsection. If an otherwise eligible student resides in a state that is not subject to a reciprocity agreement, such student may attend a recovery high school provided such student pays to the school one hundred five percent of the tuition rate for the recovery high school established under this subsection. No student enrolled and attending a recovery high school under this subdivision shall be included as a resident pupil for any state aid purpose under chapter 163.

5. The board, in consultation with the department of mental health, may promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2022, shall be invalid and void."; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 11

Amend House Committee Substitute for Senate Substitute for Senate Committee Substitute for Senate

Bill No. 68, Page 79, Section 168.331, Line 31, by inserting after all of the said section and line the following:

"169.070. 1. The retirement allowance of a member whose age at retirement is sixty years or more and whose creditable service is five years or more, or whose sum of age and creditable service equals eighty years or more, or who has attained age fifty-five and whose creditable service is twenty-five years or more or whose creditable service is thirty years or more regardless of age, may be the sum of the following items, not to exceed one hundred percent of the member's final average salary:

(1) Two and five-tenths percent of the member's final average salary for each year of membership service;

(2) Six-tenths of the amount payable for a year of membership service for each year of prior service not exceeding thirty years.

In lieu of the retirement allowance otherwise provided in subdivisions (1) and (2) of this subsection, a member may elect to receive a retirement allowance of:

(3) Two and four-tenths percent of the member's final average salary for each year of membership service, if the member's creditable service is twenty-nine years or more but less than thirty years, and the member has not attained age fifty-five;

(4) Two and thirty-five-hundredths percent of the member's final average salary for each year of membership service, if the member's creditable service is twenty-eight years or more but less than twenty-nine years, and the member has not attained age fifty-five;

(5) Two and three-tenths percent of the member's final average salary for each year of membership service, if the member's creditable service is twenty-seven years or more but less than twenty-eight years, and the member has not attained age fifty-five;

(6) Two and twenty-five-hundredths percent of the member's final average salary for each year of membership service, if the member's creditable service is twenty-six years or more but less than twenty-seven years, and the member has not attained age fifty-five;

(7) Two and two-tenths percent of the member's final average salary for each year of membership service, if the member's creditable service is twenty-five years or more but less than twenty-six years, and the member has not attained age fifty-five;

(8) Two and fifty-five hundredths percent of the member's final average salary for each year of membership service, if the member's creditable service is thirty-two years or more regardless of age.

2. In lieu of the retirement allowance provided in subsection 1 of this section, a member whose age is sixty years or more on September 28, 1975, may elect to have the member's retirement allowance calculated as a sum of the following items:

(1) Sixty cents plus one and five-tenths percent of the member's final average salary for each year of membership service;

(2) Six-tenths of the amount payable for a year of membership service for each year of prior service not exceeding thirty years;

(3) Three-fourths of one percent of the sum of subdivisions (1) and (2) of this subsection for each month of attained age in excess of sixty years but not in excess of age sixty-five.

3. (1) In lieu of the retirement allowance provided either in subsection 1 or 2 of this section, collectively called "option 1", a member whose creditable service is twenty-five years or more or who has attained the age of fifty-five with five or more years of creditable service may elect in the member's application for retirement to receive the actuarial equivalent of the member's retirement allowance in reduced monthly payments for life during retirement with the provision that:

Option 2.

Upon the member's death the reduced retirement allowance shall be continued throughout the life of and paid to such person as has an insurable interest in the life of the member as the member shall have nominated in the member's election of the option, and provided further that if the person so nominated dies before the retired member, the retirement allowance will be increased to the amount the retired member would be receiving had the retired member elected option 1; or

Option 3.

Upon the death of the member three-fourths of the reduced retirement allowance shall be continued throughout the life of and paid to such person as has an insurable interest in the life of the member and as the member shall have nominated in an election of the option, and provided further that if the person so nominated dies before the retired member, the retirement allowance will be increased to the amount the retired member would be receiving had the member elected option 1; or

Option 4.

Upon the death of the member one-half of the reduced retirement allowance shall be continued throughout the life of, and paid to, such person as has an insurable interest in the life of the member and as the member shall have nominated in an election of the option, and provided further that if the person so nominated dies before the retired member, the retirement allowance shall be increased to the amount the retired member would be receiving had the member elected option 1; or

Option 5.

Upon the death of the member prior to the member having received one hundred twenty monthly payments of the member's reduced allowance, the remainder of the one hundred twenty monthly payments of the reduced allowance shall be paid to such beneficiary as the member shall have nominated in the member's election of the option or in a subsequent nomination. If there is no beneficiary so nominated who survives the member for the remainder of the one hundred twenty monthly payments, the total of the remainder of such one hundred twenty monthly payments shall be paid to the surviving spouse, surviving children in equal shares, surviving parents in equal shares, or estate of the last person, in that order of precedence, to receive a monthly allowance in a lump sum payment. If the total of the one hundred twenty payments paid to the retired individual and the beneficiary of the retired individual is less than the total of the member's accumulated contributions, the difference shall be paid to the beneficiary in a lump sum; or

Option 6.

Upon the death of the member prior to the member having received sixty monthly payments of the member's reduced allowance, the remainder of the sixty monthly payments of the reduced allowance shall be paid to such beneficiary as the member shall have nominated in the member's election of the option or in a subsequent nomination. If there is no beneficiary so nominated who survives the member for the remainder of the sixty monthly payments, the total of the remainder of such sixty monthly payments shall be paid to the surviving spouse, surviving children in equal shares, surviving parents in equal shares, or estate of the last person, in that order of precedence, to receive a monthly allowance in a lump sum payment. If the total of the sixty payments paid to the retired individual and the beneficiary of the retired individual is less than the total of the member's accumulated contributions, the difference shall be paid to the beneficiary in a lump sum.

(2) The election of an option may be made only in the application for retirement and such application must be filed prior to the date on which the retirement of the member is to be effective. If either the member or the person nominated to receive the survivorship payments dies before the effective date of retirement, the option shall not be effective, provided that:

(a) If the member or a person retired on disability retirement dies after acquiring twenty-five or more years of creditable service or after attaining the age of fifty-five years and acquiring five or more years of creditable service and before retirement, except retirement with disability benefits, and the person named by the member as the member's beneficiary has an insurable interest in the life of the deceased member, the designated beneficiary may elect to receive either survivorship benefits under option 2 or a payment of the accumulated contributions of the member. If survivorship benefits under option 2 are elected and the member at the time of death would have been eligible to receive an actuarial equivalent of the member's retirement allowance, the designated beneficiary may further elect to defer the option 2 payments until the date the member would have been eligible to receive the retirement allowance provided in subsection 1 or 2 of this section;

(b) If the member or a person retired on disability retirement dies before attaining age fifty-five but after acquiring five but fewer than twenty-five years of creditable service, and the person named as the member's beneficiary has an insurable interest in the life of the deceased member, the designated beneficiary may elect to receive either a payment of the member's accumulated contributions, or survivorship benefits under option 2 to begin on the date the member would first have been eligible to receive an actuarial equivalent of the member's retirement allowance, or to begin on the date the member would first have been eligible to receive the retirement allowance provided in subsection 1 or 2 of this section.

4. If the total of the retirement or disability allowance paid to an individual before the death of the individual is less than the accumulated contributions at the time of retirement, the difference shall be paid to the beneficiary of the individual, or to the surviving spouse, surviving children in equal shares, surviving parents in equal shares, or estate of the individual in that order of precedence. If an optional benefit as provided in option 2, 3 or 4 in subsection 3 of this section had been elected, and the beneficiary dies after receiving the optional benefit, and if the total retirement allowance paid to the retired individual and the beneficiary of the retired individual is less than the total of the contributions, the difference shall be paid to the surviving spouse, surviving children in equal shares, surviving parents in equal shares, or estate of the beneficiary, in that order of precedence, unless the retired individual designates a different recipient with the board at or after retirement.

5. If a member dies and his or her financial institution is unable to accept the final payment or payments due to the member, the final payment or payments shall be paid to the beneficiary of the member or, if there is no beneficiary, to the surviving spouse, surviving children in equal shares, surviving parents in equal shares, or estate of the member, in that order of precedence, unless otherwise stated. If the beneficiary of a deceased member dies and his or her financial institution is unable to accept the final payment or payments, the final payment or payments shall be paid to the surviving spouse, surviving children in equal shares, surviving parents in equal shares, or estate of the member, in that order of precedence, unless otherwise stated.

6. If a member dies before receiving a retirement allowance, the member's accumulated contributions at the time of the death of the member shall be paid to the beneficiary of the member or, if there is no beneficiary, to the surviving spouse, surviving children in equal shares, surviving parents in equal shares, or to the estate of the member, in that order of precedence; except that, no such payment shall be made if the beneficiary elects option 2 in subsection 3 of this section, unless the beneficiary dies before having received benefits pursuant to that subsection equal to the accumulated contributions of the member, in which case the amount of accumulated contributions in excess of the total benefits paid pursuant to that subsection shall be paid to the surviving spouse, surviving children in equal shares, surviving parents in equal shares, or estate of the beneficiary, in that order of precedence.

7. If a member ceases to be a public school employee as herein defined and certifies to the board of trustees that such cessation is permanent, or if the membership of the person is otherwise terminated, the member shall be paid the member's accumulated contributions with interest.

8. Notwithstanding any provisions of sections 169.010 to 169.141 to the contrary, if a member ceases to be a public school employee after acquiring five or more years of membership service in Missouri, the member may at the option of the member leave the member's contributions with the retirement system and claim a retirement allowance any time after reaching the minimum age for voluntary retirement. When the member's claim is presented to the board, the member shall be granted an allowance as provided in sections 169.010 to 169.141 on the basis of the member's age, years of service, and the provisions of the law in effect at the time the member requests the member's retirement to become effective.

9. The retirement allowance of a member retired because of disability shall be nine-tenths of the allowance to which the member's creditable service would entitle the member if the member's age were sixty, or fifty percent of one-twelfth of the annual salary rate used in determining the member's contributions during the last school year for which the member received a year of creditable service immediately prior to the member's disability, whichever is greater, except that no such allowance shall exceed the retirement allowance to which the member would have been entitled upon retirement at age sixty if the member had continued to teach from the date of disability until age sixty at the same salary rate.

10. Notwithstanding any provisions of sections 169.010 to 169.141 to the contrary, from October 13, 1961, the contribution rate pursuant to sections 169.010 to 169.141 shall be multiplied by the factor of two-thirds for any member of the system for whom federal Old Age and Survivors Insurance tax is paid from state or local tax funds on account of the member's employment entitling the person to membership in the system. The monetary benefits for a member who elected not to exercise an option to pay into the system a retroactive contribution of four percent on that part of the member's annual salary rate which was

in excess of four thousand eight hundred dollars but not in excess of eight thousand four hundred dollars for each year of employment in a position covered by this system between July 1, 1957, and July 1, 1961, as provided in subsection 10 of this section as it appears in RSMo, 1969, shall be the sum of:

(1) For years of service prior to July 1, 1946, six-tenths of the full amount payable for years of membership service;

(2) For years of membership service after July 1, 1946, in which the full contribution rate was paid, full benefits under the formula in effect at the time of the member's retirement;

(3) For years of membership service after July 1, 1957, and prior to July 1, 1961, the benefits provided in this section as it appears in RSMo, 1959; except that if the member has at least thirty years of creditable service at retirement the member shall receive the benefit payable pursuant to that section as though the member's age were sixty-five at retirement;

(4) For years of membership service after July 1, 1961, in which the two-thirds contribution rate was paid, two-thirds of the benefits under the formula in effect at the time of the member's retirement.

11. The monetary benefits for each other member for whom federal Old Age and Survivors Insurance tax is or was paid at any time from state or local funds on account of the member's employment entitling the member to membership in the system shall be the sum of:

(1) For years of service prior to July 1, 1946, six-tenths of the full amount payable for years of membership service;

(2) For years of membership service after July 1, 1946, in which the full contribution rate was paid, full benefits under the formula in effect at the time of the member's retirement;

(3) For years of membership service after July 1, 1957, in which the two-thirds contribution rate was paid, two-thirds of the benefits under the formula in effect at the time of the member's retirement.

12. Any retired member of the system who was retired prior to September 1, 1972, or beneficiary receiving payments under option 1 or option 2 of subsection 3 of this section, as such option existed prior to September 1, 1972, will be eligible to receive an increase in the retirement allowance of the member of two percent for each year, or major fraction of more than one-half of a year, which the retired member has been retired prior to July 1, 1975. This increased amount shall be payable commencing with January, 1976, and shall thereafter be referred to as the member's retirement allowance. The increase provided for in this subsection shall not affect the retired member's eligibility for compensation provided for in section **[**169.580 or**]** 169.585, nor shall the amount being paid pursuant to these sections be reduced because of any increases provided for in this section.

13. **(1)** If the board of trustees determines that the cost of living, as measured by generally accepted standards, increases two percent or more in the preceding fiscal year, the board shall increase the retirement allowances which the retired members or beneficiaries are receiving by two percent of the amount being received by the retired member or the beneficiary at the time the annual increase is granted by the board with the provision that the increases provided for in this subsection shall not become effective until the fourth January first following the member's retirement or January 1, 1977, whichever later occurs, or in the case of any member retiring on or after July 1, 2000, the increase provided for in this subsection shall not become effective until the third January first following the member's retirement, or in the case

of any member retiring on or after July 1, 2001, the increase provided for in this subsection shall not become effective until the second January first following the member's retirement. Commencing with January 1, 1992, if the board of trustees determines that the cost of living has increased five percent or more in the preceding fiscal year, the board shall increase the retirement allowances by five percent. The total of the increases granted to a retired member or the beneficiary after December 31, 1976, may not exceed eighty percent of the retirement allowance established at retirement or as previously adjusted by other subsections.

(2) Notwithstanding any other provision of this chapter to the contrary, the limitation on the total of the increases granted to a retired member or beneficiary as provided by subdivision (1) of this subsection shall be subject to an annual increase approved by the board of trustees beginning on December 31, 2025, and on each December thirty-first thereafter, except that such annual increase shall not exceed one percent per year. Any increase to the limitation shall depend on the performance of the system's investments. If the system's investments earn two percent or greater returns in excess of the investment return rate adopted by the board of trustees in the immediately prior fiscal year, then the percentage of the retirement allowance for the total of increases granted to a retired member or beneficiary shall be increased by one percent. The one percent increase shall be incorporated in the calculation applicable to the retirement allowances in the calendar year that immediately follows the fiscal year in which the system's investments met or exceeded by two percent the investment return rate. The total of the increases granted to a retired member or beneficiary shall not exceed one hundred percent of the retirement allowance established at retirement or as previously adjusted by other sections. The percentage of the retirement allowance for the total of increases granted to a retired member or beneficiary shall not be decreased. Any reference to the limitation on the total of increases granted to a retired member or beneficiary in any other section of this chapter shall be construed to be the percentage of the retirement allowance in effect as increased pursuant to this subdivision, unless such increase to the percentage of the retirement allowance is otherwise expressly excluded.

(3) If the cost of living increases less than five percent, the board of trustees may determine the percentage of increase to be made in retirement allowances, but at no time can the increase exceed five percent per year. If the cost of living decreases in a fiscal year, there will be no increase in allowances for retired members on the following January first.

14. The board of trustees may reduce the amounts which have been granted as increases to a member pursuant to subsection 13 of this section if the cost of living, as determined by the board and as measured by generally accepted standards, is less than the cost of living was at the time of the first increase granted to the member; except that, the reductions shall not exceed the amount of increases which have been made to the member's allowance after December 31, 1976.

15. Any application for retirement shall include a sworn statement by the member certifying that the spouse of the member at the time the application was completed was aware of the application and the plan of retirement elected in the application.

16. Notwithstanding any other provision of law, any person retired prior to September 28, 1983, who is receiving a reduced retirement allowance under option 1 or option 2 of subsection 3 of this section, as such option existed prior to September 28, 1983, and whose beneficiary nominated to receive continued

retirement allowance payments under the elected option dies or has died, shall upon application to the board of trustees have his or her retirement allowance increased to the amount he or she would have been receiving had the option not been elected, actuarially adjusted to recognize any excessive benefits which would have been paid to him or her up to the time of application.

17. Benefits paid pursuant to the provisions of the public school retirement system of Missouri shall not exceed the limitations of Section 415 of Title 26 of the United States Code except as provided pursuant to this subsection. Notwithstanding any other law to the contrary, the board of trustees may establish a benefit plan pursuant to Section 415(m) of Title 26 of the United States Code. Such plan shall be created solely for the purpose described in Section 415(m)(3)(A) of Title 26 of the United States Code. The board of trustees may promulgate regulations necessary to implement the provisions of this subsection and to create and administer such benefit plan.

18. Notwithstanding any other provision of law to the contrary, any person retired before, on, or after May 26, 1994, shall be made, constituted, appointed and employed by the board as a special consultant on the matters of education, retirement and aging, and upon request shall give written or oral opinions to the board in response to such requests. As compensation for such duties the person shall receive an amount based on the person's years of service so that the total amount received pursuant to sections 169.010 to 169.141 shall be at least the minimum amounts specified in subdivisions (1) to (4) of this subsection. In determining the minimum amount to be received, the amounts in subdivisions (3) and (4) of this subsection shall be adjusted in accordance with the actuarial adjustment, if any, that was applied to the person's retirement allowance. In determining the minimum amount to be received, beginning September 1, 1996, the amounts in subdivisions (1) and (2) of this subsection shall be adjusted in accordance with the actuarial adjustment, if any, that was applied to the person's retirement allowance due to election of an optional form of retirement having a continued monthly payment after the person's death. Notwithstanding any other provision of law to the contrary, no person retired before, on, or after May 26, 1994, and no beneficiary of such a person, shall receive a retirement benefit pursuant to sections 169.010 to 169.141 based on the person's years of service less than the following amounts:

(1) Thirty or more years of service, one thousand two hundred dollars;

(2) At least twenty-five years but less than thirty years, one thousand dollars;

(3) At least twenty years but less than twenty-five years, eight hundred dollars;

(4) At least fifteen years but less than twenty years, six hundred dollars.

19. Notwithstanding any other provisions of law to the contrary, any person retired prior to May 26, 1994, and any designated beneficiary of such a retired member who was deceased prior to July 1, 1999, shall be made, constituted, appointed and employed by the board as a special consultant on the matters of education, retirement or aging and upon request shall give written or oral opinions to the board in response to such requests. Beginning September 1, 1996, as compensation for such service, the member shall have added, pursuant to this subsection, to the member's monthly annuity as provided by this section a dollar amount equal to the lesser of sixty dollars or the product of two dollars multiplied by the member's number of years of creditable service. Beginning September 1, 1999, the designated beneficiary of the deceased member shall as compensation for such service have added, pursuant to this subsection, to the monthly annuity as provided by this section a dollar amount equal to the lesser of sixty dollars or the product of

two dollars multiplied by the member's number of years of creditable service. The total compensation provided by this section including the compensation provided by this subsection shall be used in calculating any future cost-of-living adjustments provided by subsection 13 of this section.

20. Any member who has retired prior to July 1, 1998, and the designated beneficiary of a deceased retired member shall be made, constituted, appointed and employed by the board as a special consultant on the matters of education, retirement and aging, and upon request shall give written or oral opinions to the board in response to such requests. As compensation for such duties the person shall receive a payment equivalent to eight and seven-tenths percent of the previous month's benefit, which shall be added to the member's or beneficiary's monthly annuity and which shall not be subject to the provisions of subsections 13 and 14 of this section for the purposes of the limit on the total amount of increases which may be received.

21. Any member who has retired shall be made, constituted, appointed and employed by the board as a special consultant on the matters of education, retirement and aging, and upon request shall give written or oral opinions to the board in response to such request. As compensation for such duties, the beneficiary of the retired member, or, if there is no beneficiary, the surviving spouse, surviving children in equal shares, surviving parents in equal shares, or estate of the retired member, in that order of precedence, shall receive as a part of compensation for these duties a death benefit of five thousand dollars.

22. Any member who has retired prior to July 1, 1999, and the designated beneficiary of a retired member who was deceased prior to July 1, 1999, shall be made, constituted, appointed and employed by the board as a special consultant on the matters of education, retirement and aging, and upon request shall give written or oral opinions to the board in response to such requests. As compensation for such duties, the person shall have added, pursuant to this subsection, to the monthly annuity as provided by this section a dollar amount equal to five dollars times the member's number of years of creditable service.

23. Any member who has retired prior to July 1, 2000, and the designated beneficiary of a deceased retired member shall be made, constituted, appointed and employed by the board as a special consultant on the matters of education, retirement and aging, and upon request shall give written or oral opinions to the board in response to such requests. As compensation for such duties, the person shall receive a payment equivalent to three and five-tenths percent of the previous month's benefit, which shall be added to the member or beneficiary's monthly annuity and which shall not be subject to the provisions of subsections 13 and 14 of this section for the purposes of the limit on the total amount of increases which may be received.

24. Any member who has retired prior to July 1, 2001, and the designated beneficiary of a deceased retired member shall be made, constituted, appointed and employed by the board as a special consultant on the matters of education, retirement and aging, and upon request shall give written or oral opinions to the board in response to such requests. As compensation for such duties, the person shall receive a dollar amount equal to three dollars times the member's number of years of creditable service, which shall be added to the member's or beneficiary's monthly annuity and which shall not be subject to the provisions of subsections 13 and 14 of this section for the purposes of the limit on the total amount of increases which may be received.

169.670. 1. The retirement allowance of a member whose age at retirement is sixty years or more and whose creditable service is five years or more, or whose sum of age and creditable service equals

eighty years or more, or whose creditable service is thirty years or more regardless of age, shall be the sum of the following items:

(1) For each year of membership service, one and sixty-one hundredths percent of the member's final average salary;

(2) Six-tenths of the amount payable for a year of membership service for each year of prior service;

(3) Eighty-five one-hundredths of one percent of any amount by which the member's average compensation for services rendered prior to July 1, 1973, exceeds the average monthly compensation on which federal Social Security taxes were paid during the period over which such average compensation was computed, for each year of membership service credit for services rendered prior to July 1, 1973, plus six-tenths of the amount payable for a year of membership service for each year of prior service credit;

(4) In lieu of the retirement allowance otherwise provided by subdivisions (1) to (3) of this subsection, a member may elect to receive a retirement allowance of:

(a) One and fifty-nine hundredths percent of the member's final average salary for each year of membership service, if the member's creditable service is twenty-nine years or more but less than thirty years and the member has not attained the age of fifty-five;

(b) One and fifty-seven hundredths percent of the member's final average salary for each year of membership service, if the member's creditable service is twenty-eight years or more but less than twenty-nine years, and the member has not attained the age of fifty-five;

(c) One and fifty-five hundredths percent of the member's final average salary for each year of membership service, if the member's creditable service is twenty-seven years or more but less than twenty-eight years and the member has not attained the age of fifty-five;

(d) One and fifty-three hundredths percent of the member's final average salary for each year of membership service, if the member's creditable service is twenty-six years or more but less than twenty-seven years and the member has not attained the age of fifty-five;

(e) One and fifty-one hundredths percent of the member's final average salary for each year of membership service, if the member's creditable service is twenty-five years or more but less than twenty-six years and the member has not attained the age of fifty-five; and

(5) In addition to the retirement allowance provided in subdivisions (1) to (3) of this subsection, a member retiring on or after July 1, 2001, whose creditable service is thirty years or more or whose sum of age and creditable service is eighty years or more, shall receive a temporary retirement allowance equivalent to eight-tenths of one percent of the member's final average salary multiplied by the member's years of service until such time as the member reaches the minimum age for Social Security retirement benefits.

2. **(1)** If the board of trustees determines that the cost of living, as measured by generally accepted standards, increases five percent or more in the preceding fiscal year, the board shall increase the retirement allowances which the retired members or beneficiaries are receiving by five percent of the amount being received by the retired member or the beneficiary at the time the annual increase is granted by the board; provided that, the increase provided in this subsection shall not become effective until the

fourth January first following a member's retirement or January 1, 1982, whichever occurs later, and the total of the increases granted to a retired member or the beneficiary after December 31, 1981, may not exceed eighty percent of the retirement allowance established at retirement or as previously adjusted by other provisions of law.

(2) Notwithstanding any other provision of this chapter to the contrary, the limitation on the total of the increases granted to a retired member or beneficiary as provided by subdivision (1) of this subsection shall be subject to an annual increase approved by the board of trustees beginning on December 31, 2025, and on each December thirty-first thereafter, except that such annual increase shall not exceed one percent per year. Any increase to the limitation shall depend on the performance of the system's investments. If the system's investments earn two percent or greater returns in excess of the investment return rate adopted by the board of trustees in the immediately prior fiscal year, then the percentage of the retirement allowance for the total of increases granted to a retired member or beneficiary shall be increased by one percent. The one percent increase shall be incorporated in the calculation applicable to the retirement allowances in the calendar year that immediately follows the fiscal year in which the system's investments met or exceeded by two percent the investment return rate. The total of the increases granted to a retired member or beneficiary shall not exceed one hundred percent of the retirement allowance established at retirement or as previously adjusted by other sections. The percentage of the retirement allowance for the total of increases granted to a retired member or beneficiary shall not be decreased. Any reference to the limitation on the total of increases granted to a retired member or beneficiary in any other section of this chapter shall be construed to be the percentage of the retirement allowance in effect as increased pursuant to this subdivision, unless such increase to the percentage of the retirement allowance is otherwise expressly excluded.

(3) If the cost of living increases less than five percent, the board of trustees may determine the percentage of increase to be made in retirement allowances, but at no time can the increase exceed five percent per year. If the cost of living decreases in a fiscal year, there will be no increase in allowances for retired members on the following January first.

3. The board of trustees may reduce the amounts which have been granted as increases to a member pursuant to subsection 2 of this section if the cost of living, as determined by the board and as measured by generally accepted standards, is less than the cost of living was at the time of the first increase granted to the member; provided that, the reductions shall not exceed the amount of increases which have been made to the member's allowance after December 31, 1981.

4. (1) In lieu of the retirement allowance provided in subsection 1 of this section, called option 1, a member whose creditable service is twenty-five years or more or who has attained age fifty-five with five or more years of creditable service may elect, in the application for retirement, to receive the actuarial equivalent of the member's retirement allowance in reduced monthly payments for life during retirement with the provision that:

Option 2.

Upon the member's death, the reduced retirement allowance shall be continued throughout the life of and paid to such person as has an insurable interest in the life of the member as the member shall have

nominated in the member's election of the option, and provided further that if the person so nominated dies before the retired member, the retirement allowance will be increased to the amount the retired member would be receiving had the member elected option 1; or

Option 3.

Upon the death of the member three-fourths of the reduced retirement allowance shall be continued throughout the life of and paid to such person as has an insurable interest in the life of the member and as the member shall have nominated in an election of the option, and provided further that if the person so nominated dies before the retired member, the retirement allowance will be increased to the amount the retired member would be receiving had the member elected option 1; or

Option 4.

Upon the death of the member one-half of the reduced retirement allowance shall be continued throughout the life of, and paid to, such person as has an insurable interest in the life of the member and as the member shall have nominated in an election of the option, and provided further that if the person so nominated dies before the retired member, the retirement allowance shall be increased to the amount the retired member would be receiving had the member elected option 1; or

Option 5.

Upon the death of the member prior to the member having received one hundred twenty monthly payments of the member's reduced allowance, the remainder of the one hundred twenty monthly payments of the reduced allowance shall be paid to such beneficiary as the member shall have nominated in the member's election of the option or in a subsequent nomination. If there is no beneficiary so nominated who survives the member for the remainder of the one hundred twenty monthly payments, the reserve for the remainder of such one hundred twenty monthly payments shall be paid to the surviving spouse, surviving children in equal shares, surviving parents in equal shares, or estate of the last person, in that order of precedence, to receive a monthly allowance in a lump sum payment. If the total of the one hundred twenty payments paid to the retired individual and the beneficiary of the retired individual is less than the total of the member's accumulated contributions, the difference shall be paid to the beneficiary in a lump sum; or

Option 6.

Upon the death of the member prior to the member having received sixty monthly payments of the member's reduced allowance, the remainder of the sixty monthly payments of the reduced allowance shall be paid to such beneficiary as the member shall have nominated in the member's election of the option or in a subsequent nomination. If there is no beneficiary so nominated who survives the member for the remainder of the sixty monthly payments, the reserve for the remainder of such sixty monthly payments shall be paid to the surviving spouse, surviving children in equal shares, surviving parents in equal shares, or estate of the last person, in that order of precedence, to receive a monthly allowance in a lump sum payment. If the total of the sixty payments paid to the retired individual and the beneficiary of the retired individual is less than the total of the member's accumulated contributions, the difference shall be paid to the beneficiary in a lump sum; or

Option 7.

A plan of variable monthly benefit payments which provides, in conjunction with the member's retirement benefits under the federal Social Security laws, level or near-level retirement benefit payments to the member for life during retirement, and if authorized, to an appropriate beneficiary designated by the member. Such a plan shall be actuarially equivalent to the retirement allowance under option 1 and shall be available for election only if established by the board of trustees under duly adopted rules.

(2) The election of an option may be made only in the application for retirement and such application must be filed prior to the date on which the retirement of the member is to be effective. If either the member or the person nominated dies before the effective date of retirement, the option shall not be effective, provided that:

(a) If the member or a person retired on disability retirement dies after attaining age fifty-five and acquiring five or more years of creditable service or after acquiring twenty-five or more years of creditable service and before retirement, except retirement with disability benefits, and the person named by the member as the member's beneficiary has an insurable interest in the life of the deceased member, the designated beneficiary may elect to receive either survivorship payments under option 2 or a payment of the member's accumulated contributions. If survivorship benefits under option 2 are elected and the member at the time of death would have been eligible to receive an actuarial equivalent of the member's retirement allowance, the designated beneficiary may further elect to defer the option 2 payments until the date the member would have been eligible to receive the retirement allowance provided in subsection 1 of this section.

(b) If the member or a person retired on disability retirement dies before attaining age fifty-five but after acquiring five but fewer than twenty-five years of creditable service, and the person named as the beneficiary has an insurable interest in the life of the deceased member or disability retiree, the designated beneficiary may elect to receive either a payment of the person's accumulated contributions or survivorship benefits under option 2 to begin on the date the member would first have been eligible to receive an actuarial equivalent of the person's retirement allowance, or to begin on the date the member would first have been eligible to receive the retirement allowance provided in subsection 1 of this section.

5. If the total of the retirement or disability allowances paid to an individual before the person's death is less than the person's accumulated contributions at the time of the person's retirement, the difference shall be paid to the person's beneficiary or, if there is no beneficiary, to the surviving spouse, surviving children in equal shares, surviving parents in equal shares, or person's estate, in that order of precedence; provided, however, that if an optional benefit, as provided in option 2, 3 or 4 in subsection 4 of this section, had been elected and the beneficiary dies after receiving the optional benefit, then, if the total retirement allowances paid to the retired individual and the individual's beneficiary are less than the total of the contributions, the difference shall be paid to the surviving spouse, surviving children in equal shares, surviving parents in equal shares, or estate of the beneficiary, in that order of precedence, unless the retired individual designates a different recipient with the board at or after retirement.

6. If a member dies and his or her financial institution is unable to accept the final payment or payments due to the member, the final payment or payments shall be paid to the beneficiary of the member or, if there is no beneficiary, to the surviving spouse, surviving children in equal shares, surviving parents in equal shares, or estate of the member, in that order of precedence, unless otherwise stated. If the

beneficiary of a deceased member dies and his or her financial institution is unable to accept the final payment or payments, the final payment or payments shall be paid to the surviving spouse, surviving children in equal shares, surviving parents in equal shares, or estate of the member, in that order of precedence, unless otherwise stated.

7. If a member dies before receiving a retirement allowance, the member's accumulated contributions at the time of the member's death shall be paid to the member's beneficiary or, if there is no beneficiary, to the surviving spouse, surviving children in equal shares, surviving parents in equal shares, or to the member's estate; provided, however, that no such payment shall be made if the beneficiary elects option 2 in subsection 4 of this section, unless the beneficiary dies before having received benefits pursuant to that subsection equal to the accumulated contributions of the member, in which case the amount of accumulated contributions in excess of the total benefits paid pursuant to that subsection shall be paid to the surviving spouse, surviving children in equal shares, surviving parents in equal shares, or estate of the beneficiary, in that order of precedence.

8. If a member ceases to be an employee as defined in section 169.600 and certifies to the board of trustees that such cessation is permanent or if the person's membership is otherwise terminated, the person shall be paid the person's accumulated contributions with interest.

9. Notwithstanding any provisions of sections 169.600 to 169.715 to the contrary, if a member ceases to be an employee as defined in section 169.600 after acquiring five or more years of creditable service, the member may, at the option of the member, leave the member's contributions with the retirement system and claim a retirement allowance any time after the member reaches the minimum age for voluntary retirement. When the member's claim is presented to the board, the member shall be granted an allowance as provided in sections 169.600 to 169.715 on the basis of the member's age and years of service.

10. The retirement allowance of a member retired because of disability shall be nine-tenths of the allowance to which the member's creditable service would entitle the member if the member's age were sixty.

11. Notwithstanding any provisions of sections 169.600 to 169.715 to the contrary, any member who is a member prior to October 13, 1969, may elect to have the member's retirement allowance computed in accordance with sections 169.600 to 169.715 as they existed prior to October 13, 1969.

12. Any application for retirement shall include a sworn statement by the member certifying that the spouse of the member at the time the application was completed was aware of the application and the plan of retirement elected in the application.

13. Notwithstanding any other provision of law, any person retired prior to August 14, 1984, who is receiving a reduced retirement allowance under option 1 or 2 of subsection 4 of this section, as the option existed prior to August 14, 1984, and whose beneficiary nominated to receive continued retirement allowance payments under the elected option dies or has died, shall upon application to the board of trustees have the person's retirement allowance increased to the amount the person would have been receiving had the person not elected the option actuarially adjusted to recognize any excessive benefits which would have been paid to the person up to the time of the application.

14. Benefits paid pursuant to the provisions of the public education employee retirement system of Missouri shall not exceed the limitations of Section 415 of Title 26 of the United States Code, except as

provided under this subsection. Notwithstanding any other law, the board of trustees may establish a benefit plan under Section 415(m) of Title 26 of the United States Code. Such plan shall be credited solely for the purpose described in Section 415(m)(3)(A) of Title 26 of the United States Code. The board of trustees may promulgate regulations necessary to implement the provisions of this subsection and to create and administer such benefit plan.

15. Any member who has retired prior to July 1, 1999, and the designated beneficiary of a deceased retired member upon request shall be made, constituted, appointed and employed by the board as a special consultant on the matters of education, retirement and aging. As compensation for such duties the person shall receive a payment equivalent to seven and four-tenths percent of the previous month's benefit, which shall be added to the member's or beneficiary's monthly annuity and which shall not be subject to the provisions of subsections 2 and 3 of this section for the purposes of the limit on the total amount of increases which may be received.

16. Any member who has retired prior to July 1, 2000, and the designated beneficiary of a deceased retired member upon request shall be made, constituted, appointed and employed by the board as a special consultant on the matters of education, retirement and aging. As compensation for such duties the person shall receive a payment equivalent to three and four-tenths percent of the previous month's benefit, which shall be added to the member's or beneficiary's monthly annuity and which shall not be subject to the provisions of subsections 2 and 3 of this section for the purposes of the limit on the total amount of increases which may be received.

17. Any member who has retired prior to July 1, 2001, and the designated beneficiary of a deceased retired member upon request shall be made, constituted, appointed and employed by the board as a special consultant on the matters of education, retirement and aging. As compensation for such duties the person shall receive a payment equivalent to seven and one-tenth percent of the previous month's benefit, which shall be added to the member's or beneficiary's monthly annuity and which shall not be subject to the provisions of subsections 2 and 3 of this section for the purposes of the limit on the total amount of increases which may be received."; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 12

Amend House Committee Substitute for Senate Substitute for Senate Committee Substitute for Senate Bill No. 68, Page 27, Section 160.663, Line 19, by deleting the word "**building.**" and inserting in lieu thereof the following:

"**building;**

(5) "Master key box", an exterior secure master key box that meets the standards prescribed under Underwriters Laboratories Standard 1037 for use by fire protection and law enforcement."; and

Further amend said bill, page, and section, Line 24, by inserting after all of the said line the following:

"**3. A school district or charter school may equip each school with one or more master key boxes to contain the necessary keys and access tools for fire protection and law enforcement to gain access**

to exterior or interior doors or entryways, including those equipped with an anti-intruder door lock required under this section."; and

Further amend said bill and section, Pages 27 to 28, by renumbering subsequent subsections accordingly; and

Further amend said bill and section, Page 28, Line 41, by inserting after all of the said line the following:

"**(3) A school district or charter school may receive donations of master key boxes and moneys for the purchase of master key boxes.**"; and

Further amend said bill, Page 78, Section 168.036, Line 71, by inserting after all of said section and line the following:

"168.133. 1. As used in this section, "screened volunteer" shall mean any person who assists a school by providing uncompensated service and who may periodically be left alone with students. The school district **or charter school** shall ensure that a criminal background check is conducted for all screened volunteers, who shall complete the criminal background check prior to being left alone with a student. **[**Screened volunteers include, but are not limited to, persons who regularly assist in the office or library, mentor or tutor students, coach or supervise a school-sponsored activity before or after school, or chaperone students on an overnight trip.**]** Screened volunteers may only access student education records when necessary to assist the district **or charter school** and while supervised by staff members. Volunteers that are not screened shall not be left alone with a student or have access to student records.

2. **(1)** The school district **or charter school** shall ensure that a criminal background check is conducted on any person employed after January 1, 2005, authorized to have contact with pupils and prior to the individual having contact with any pupil. **[**Such persons include, but are not limited to, administrators, teachers, aides, paraprofessionals, assistants, secretaries, custodians, cooks, screened volunteers, and nurses.**]**

(2) The school district **or charter school** shall also ensure that a criminal background check is conducted for school bus drivers **and drivers of other vehicles owned by the school district or charter school or operated under contract with a school district or charter school and used for the purpose of transporting school children**. The **school** district **or charter school** may allow such drivers to operate buses **and other vehicles** pending the result of the criminal background check. **[**For bus drivers,**]** The school district **or charter school** shall be responsible for conducting the criminal background check on drivers employed by the school district **or charter school under section 43.540**.

(3) For drivers employed **or contracted** by a pupil transportation company under contract with the school district **or a charter school**, the criminal background check shall be conducted **by the pupil transportation company** pursuant to section **[**43.540**]** **43.539** and conform to the requirements established in the National Child Protection Act of 1993, as amended by the Volunteers for Children Act.

(4) Personnel who have successfully undergone a criminal background check and a check of the family care safety registry as part of the professional license application process under section 168.021 and who have received clearance on the checks within one prior year of employment shall be considered to have completed the background check requirement.

(5) A criminal background check under this section shall include a search of any information publicly available in an electronic format through a public index or single case display.

3. In order to facilitate the criminal history background check, the applicant shall submit a set of fingerprints collected pursuant to standards determined by the Missouri highway patrol. The fingerprints shall be used by the highway patrol to search the criminal history repository and shall be forwarded to the Federal Bureau of Investigation for searching the federal criminal history files.

4. The applicant shall pay the fee for the state criminal history record information pursuant to section 43.530 and sections 210.900 to 210.936 and pay the appropriate fee determined by the Federal Bureau of Investigation for the federal criminal history record when he or she applies for a position authorized to have contact with pupils pursuant to this section. The department shall distribute the fees collected for the state and federal criminal histories to the Missouri highway patrol.

5. The department of elementary and secondary education shall facilitate an annual check of employed persons holding current active certificates under section 168.021 against criminal history records in the central repository under section 43.530, the sexual offender registry under sections 589.400 to 589.426, and child abuse central registry under sections 210.109 to 210.183. The department of elementary and secondary education shall facilitate procedures for school districts **and charter schools** to submit personnel information annually for persons employed by the school districts **or charter schools** who do not hold a current valid certificate who are required by subsection 1 of this section to undergo a criminal background check, sexual offender registry check, and child abuse central registry check. The Missouri state highway patrol shall provide ongoing electronic updates to criminal history background checks of those persons previously submitted, both those who have an active certificate and those who do not have an active certificate, by the department of elementary and secondary education. This shall fulfill the annual check against the criminal history records in the central repository under section 43.530.

6. The school district **or charter school** may adopt a policy to provide for reimbursement of expenses incurred by an employee for state and federal criminal history information pursuant to section 43.530.

7. If, as a result of the criminal history background check mandated by this section, it is determined that the holder of a certificate issued pursuant to section 168.021 has pled guilty or nolo contendere to, or been found guilty of a crime or offense listed in section 168.071, or a similar crime or offense committed in another state, the United States, or any other country, regardless of imposition of sentence, such information shall be reported to the department of elementary and secondary education.

8. Any school official making a report to the department of elementary and secondary education in conformity with this section shall not be subject to civil liability for such action.

9. For any teacher who is employed by a school district **or charter school** on a substitute or part-time basis within one year of such teacher's retirement from a Missouri school, the state of Missouri shall not require such teacher to be subject to any additional background checks prior to having contact with pupils. Nothing in this subsection shall be construed as prohibiting or otherwise restricting a school district **or charter school** from requiring additional background checks for such teachers employed by the school district **or charter school**.

10. A criminal background check and fingerprint collection conducted under subsections 1 to 3 of this section shall be valid for at least a period of one year and transferrable from one school district **or charter**

school to another district **or charter school**. A school district **or charter school** may, in its discretion, conduct a new criminal background check and fingerprint collection under subsections 1 to 3 **of this section** for a newly hired employee at the district's **or charter school's** expense. A teacher's change in type of certification shall have no effect on the transferability or validity of such records.

11. Nothing in this section shall be construed to alter the standards for suspension, denial, or revocation of a certificate issued pursuant to this chapter.

12. The state board of education may promulgate rules for criminal history background checks made pursuant to this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after January 1, 2005, shall be invalid and void."; and

Further amend said bill, Page 86, Section 177.086, Line 17, by inserting after all of said section and line the following:

"302.177. 1. To all applicants for a license or renewal to transport persons or property classified in section 302.015 who are at least twenty-one years of age and under the age of seventy, and who submit a satisfactory application and meet the requirements of sections 302.010 to 302.605, the director shall issue or renew such license; except that no license shall be issued if an applicant's license is currently suspended, cancelled, revoked, disqualified, or deposited in lieu of bail. Such license shall expire on the applicant's birthday in the sixth year of issuance, unless the license must be issued for a shorter period due to other requirements of law or for transition or staggering of work as determined by the director. The license must be renewed on or before the date of expiration, which date shall be shown on the license.

2. To all applicants for a license or renewal to transport persons or property classified in section 302.015 who are less than twenty-one years of age or greater than sixty-nine years of age, and who submit a satisfactory application and meet the requirements of sections 302.010 to 302.605, the director shall issue or renew such license; except that no license shall be issued if an applicant's license is currently suspended, cancelled, revoked, disqualified, or deposited in lieu of bail. Such license shall expire on the applicant's birthday in the third year of issuance, unless the license must be issued for a shorter period due to other requirements of law or for transition or staggering of work as determined by the director. The license must be renewed on or before the date of expiration, which date shall be shown on the license. A license issued under this section to an applicant who is **[**over the age of sixty-nine**]** **seventy-five years of age or older** and contains a school bus endorsement shall not be issued for a period that exceeds **[**one year**]** **two years**.

3. To all other applicants for a license or renewal of a license who are at least twenty-one years of age and under the age of seventy, and who submit a satisfactory application and meet the requirements of sections 302.010 to 302.605, the director shall issue or renew such license; except that no license shall be issued if an applicant's license is currently suspended, cancelled, revoked, disqualified, or deposited in lieu of bail. Such license shall expire on the applicant's birthday in the sixth year of issuance, unless the license must be issued for a shorter period due to other requirements of law or for transition or staggering

of work as determined by the director. The license must be renewed on or before the date of expiration, which date shall be shown on the license.

4. To all other applicants for a license or renewal of a license who are less than twenty-one years of age or greater than sixty-nine years of age, and who submit a satisfactory application and meet the requirements of sections 302.010 to 302.605, the director shall issue or renew such license; except that no license shall be issued if an applicant's license is currently suspended, cancelled, revoked, disqualified, or deposited in lieu of bail. Such license shall expire on the applicant's birthday in the third year of issuance, unless the license must be issued for a shorter period due to other requirements of law or for transition or staggering of work as determined by the director. The license must be renewed on or before the date of expiration, which date shall be shown on the license.

5. The fee for a license issued for a period which exceeds three years under subsection 1 of this section shall be thirty dollars.

6. The fee for a license issued for a period of three years or less under subsection 2 of this section shall be fifteen dollars, except that the fee for a license issued for one year or less which contains a school bus endorsement shall be five dollars, except renewal fees shall be waived for applicants **[**seventy**]** **seventy-five** years of age or older seeking school bus endorsements.

7. The fee for a license issued for a period which exceeds three years under subsection 3 of this section shall be fifteen dollars.

8. The fee for a license issued for a period of three years or less under subsection 4 of this section shall be seven dollars and fifty cents.

9. Beginning July 1, 2005, the director shall not issue a driver's license for a period that exceeds an applicant's lawful presence in the United States. The director may establish procedures to verify the lawful presence of the applicant and establish the duration of any driver's license issued under this section.

10. The director of revenue may adopt any rules and regulations necessary to carry out the provisions of this section. No rule or portion of a rule promulgated pursuant to the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of chapter 536.

302.272. 1. No person shall operate any school bus owned by or under contract with a public school or the state board of education unless such driver has qualified for a school bus endorsement under this section and complied with the pertinent rules and regulations of the department of revenue and any final rule issued by the secretary of the United States Department of Transportation or has a valid school bus endorsement on a valid commercial driver's license issued by another state. A school bus endorsement shall be issued to any applicant who meets the following qualifications:

(1) The applicant has a valid state license issued under this chapter;

(2) The applicant is at least twenty-one years of age; and

(3) The applicant has successfully passed an examination for the operation of a school bus as prescribed by the director of revenue. The examination shall include any examinations prescribed by the secretary of the United States Department of Transportation, and a driving test in the type of vehicle to be operated. The test shall be completed in the appropriate class of vehicle to be driven. For purposes of

this section classes of school buses shall comply with the Commercial Motor Vehicle Safety Act of 1986 (Title XII of Pub. Law 99-570). For drivers who are at least **[**seventy**]** **seventy-five** years of age, such examination, excluding the pre-trip inspection portion of the commercial driver's license skills test, shall be completed **[**annually**]** **biennially** to retain the school bus endorsement.

2. The director of revenue, to the best of the director's knowledge, shall not issue or renew a school bus endorsement to any applicant whose driving record shows that such applicant's privilege to operate a motor vehicle has been suspended, revoked or disqualified or whose driving record shows a history of moving vehicle violations.

3. The director may adopt any rules and regulations necessary to carry out the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2004, shall be invalid and void.

4. Notwithstanding the requirements of this section, an applicant who resides in another state and possesses a valid driver's license from his or her state of residence with a valid school bus endorsement for the type of vehicle being operated shall not be required to obtain a Missouri driver's license with a school bus endorsement.

302.735. 1. An application shall not be taken from a nonresident after September 30, 2005. The application for a commercial driver's license shall include, but not be limited to, the applicant's legal name, mailing and residence address, if different, a physical description of the person, including sex, height, weight and eye color, the person's Social Security number, date of birth and any other information deemed appropriate by the director. The application shall also require, beginning September 30, 2005, the applicant to provide the names of all states where the applicant has been previously licensed to drive any type of motor vehicle during the preceding ten years.

2. A commercial driver's license shall expire on the applicant's birthday in the sixth year after issuance, unless the license must be issued for a shorter period due to other requirements of law or for transition or staggering of work as determined by the director, and must be renewed on or before the date of expiration. When a person changes such person's name an application for a duplicate license shall be made to the director of revenue. When a person changes such person's mailing address or residence the applicant shall notify the director of revenue of said change, however, no application for a duplicate license is required. A commercial license issued pursuant to this section to an applicant less than twenty-one years of age and seventy years of age and older shall expire on the applicant's birthday in the third year after issuance, unless the license must be issued for a shorter period as determined by the director.

3. A commercial driver's license containing a hazardous materials endorsement issued to an applicant who is between the age of twenty-one and sixty-nine shall not be issued for a period exceeding five years from the approval date of the security threat assessment as determined by the Transportation Security Administration.

4. The director shall issue **[**an annual**]** **a biennial** commercial driver's license containing a school bus endorsement to an applicant who is **[**seventy**]** **seventy-five** years of age or older. The fee for such license shall be seven dollars and fifty cents.

5. A commercial driver's license containing a hazardous materials endorsement issued to an applicant who is seventy years of age or older shall not be issued for a period exceeding three years. The director shall not require such drivers to obtain a security threat assessment more frequently than such assessment is required by the Transportation Security Administration under the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT ACT) of 2001.

(1) The state shall immediately revoke a hazardous materials endorsement upon receipt of an initial determination of threat assessment and immediate revocation from the Transportation Security Administration as defined by 49 CFR 1572.13(a).

(2) The state shall revoke or deny a hazardous materials endorsement within fifteen days of receipt of a final determination of threat assessment from the Transportation Security Administration as required by CFR 1572.13(a).

6. The fee for a commercial driver's license or renewal commercial driver's license issued for a period greater than three years shall be forty dollars.

7. The fee for a commercial driver's license or renewal commercial driver's license issued for a period of three years or less shall be twenty dollars.

8. The fee for a duplicate commercial driver's license shall be twenty dollars.

9. In order for the director to properly transition driver's license requirements under the Motor Carrier Safety Improvement Act of 1999 and the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT ACT) of 2001, the director is authorized to stagger expiration dates and make adjustments for any fees, including driver examination fees that are incurred by the driver as a result of the initial issuance of a transitional license required to comply with such acts.

10. Within thirty days after moving to this state, the holder of a commercial driver's license shall apply for a commercial driver's license in this state. The applicant shall meet all other requirements of sections 302.700 to 302.780, except that the director may waive the driving test for a commercial driver's license as required in section 302.720 if the applicant for a commercial driver's license has a valid commercial driver's license from a state which has requirements for issuance of such license comparable to those in this state.

11. Any person who falsifies any information in an application or test for a commercial driver's license shall not be licensed to operate a commercial motor vehicle, or the person's commercial driver's license shall be cancelled, for a period of one year after the director discovers such falsification.

12. Beginning July 1, 2005, the director shall not issue a commercial driver's license under this section unless the director verifies that the applicant is lawfully present in the United States before accepting the application. If lawful presence is granted for a temporary period, no commercial driver's license shall be

issued. The director may, by rule or regulation, establish procedures to verify the lawful presence of the applicant and establish the duration of any commercial driver's license issued under this section. No rule or portion of a rule promulgated pursuant to the authority of this section shall become effective unless it has been promulgated pursuant to chapter 536.

13. (1) Effective December 19, 2005, notwithstanding any provisions of subsections 1 and 5 of this section to the contrary, the director may issue a nondomiciled commercial driver's license or commercial driver's instruction permit to a resident of a foreign jurisdiction if the United States Secretary of Transportation has determined that the commercial motor vehicle testing and licensing standards in the foreign jurisdiction do not meet the testing standards established in 49 CFR 383.

(2) Any applicant for a nondomiciled commercial driver's license or commercial driver's instruction permit must present evidence satisfactory to the director that the applicant currently has employment with an employer in this state. The nondomiciled applicant must meet the same testing, driver record requirements, conditions, and is subject to the same disqualification and conviction reporting requirements applicable to resident commercial drivers.

(3) The nondomiciled commercial driver's license will expire on the same date that the documents establishing lawful presence for employment expire. The word "nondomiciled" shall appear on the face of the nondomiciled commercial driver's license. Any applicant for a Missouri nondomiciled commercial driver's license or commercial driver's instruction permit must first surrender any nondomiciled commercial driver's license issued by another state.

(4) The nondomiciled commercial driver's license applicant must pay the same fees as required for the issuance of a resident commercial driver's license or commercial driver's instruction permit.

14. Foreign jurisdiction for purposes of issuing a nondomiciled commercial driver's license or commercial driver's instruction permit under this section shall not include any of the fifty states of the United States or Canada or Mexico."; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 13

Amend House Committee Substitute for Senate Substitute for Senate Committee Substitute for Senate Bill No. 68, Page 53, Section 162.207, Line 48, by inserting after said section and line the following:

"162.700. 1. The board of education of each school district in this state, except school districts which are part of a special school district, and the board of education of each special school district shall provide special educational services for children with disabilities three years of age or more residing in the district as required by P.L. 99-457, as codified and as may be amended. Any child, determined to be a child with disabilities, shall be eligible for such services upon reaching his or her third birthday and state school funds shall be apportioned accordingly. This subsection shall apply to each full school year beginning on or after July 1, 1991. In the event that federal funding fails to be appropriated at the authorized level as described in 20 U.S.C. 1419(b)(2), the implementation of this subsection relating to services for children with disabilities three and four years of age may be delayed until such time as funds are appropriated to meet such level. Each local school district and each special school district shall be responsible to engage

in a planning process to design the service delivery system necessary to provide special education and related services for children three and four years of age with disabilities. The planning process shall include public, private, and private not-for-profit agencies which have provided such services for this population. The school district, or school districts, or special school district, shall be responsible for designing an efficient service delivery system which uses the present resources of the local community which may be funded by the department of elementary and secondary education or the department of mental health. School districts may coordinate with public, private, and private not-for-profit agencies presently in existence. The service delivery system shall be consistent with the requirements of the department of elementary and secondary education to provide appropriate special education services in the least restrictive environment.

2. Every local school district or, if a special district is in operation, every special school district shall obtain current appropriate diagnostic reports for each **child** with disabilities **[**child**]** prior to assignment in a special program. These records may be obtained with parental permission from previous medical or psychological evaluation, may be provided by competent personnel of such district or special district, or may be secured by such district from competent and qualified medical, psychological, or other professional personnel.

3. Evaluations of private school students suspected of having a disability under the Individuals With Disabilities Education Act will be conducted as appropriate by the school district in which the private school is located or its contractor.

4. Where special districts have been formed to serve children with disabilities under the provisions of sections 162.670 to **[**162.995**] 162.974**, such children shall be educated in programs of the special district, except that component districts may provide education programs for children with disabilities ages three and four inclusive in accordance with regulations and standards adopted by the state board of education.

5. For the purposes of this act, remedial reading programs are not a special **[**education**] educational** service as defined by subdivision (4) of section 162.675.

6. Any and all state costs required to fund special education services for three- and four-year-old children under this section shall be provided for by a specific, separate appropriation and shall not be funded by a reallocation of money appropriated for the public school foundation program.

7. School districts providing early childhood special education shall give consideration to the value of continuing services with Part C early intervention system providers for the remainder of the school year when developing an individualized education program for a student who has received services under Part C of the Individuals with Disabilities Education Act and reaches the age of three years during a regular school year. Services provided shall be only those permissible according to Section 619 of the Individuals with Disabilities Education Act.

8. **(1) A student whose age makes the student eligible for kindergarten or grade one may continue eligibility as a young child with a developmental delay if the student was identified as a young child with a developmental delay before attaining eligibility for kindergarten.**

(2) The category of young child with a developmental delay shall not be used to determine continuing eligibility for special educational services for a student who is seven years of age before

August first of a given school year, but eligibility for special educational services may be determined for such students through any other disability category.

9. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly under chapter 536 to review, to delay the effective date or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2002, shall be invalid and void."; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

In which the concurrence of the Senate is respectfully requested.

Also,

Madam President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and passed **HB 205**, entitled:

An Act to repeal sections 87.140, 87.145, 87.155, 87.260, and 87.350, RSMo, and to enact in lieu thereof five new sections relating to the firefighters' retirement systems for certain cities.

In which the concurrence of the Senate is respectfully requested.

Read 1st time.

Also,

Madam President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and passed **HCS** for **HB 606**, entitled:

An Act to repeal sections 23.295, 160.575, 166.435, 170.012, 172.280, 172.610, 172.640, 172.650, 172.651, 172.660, 172.661, 172.680, 172.720, 173.005, 173.095, 173.100, 173.105, 173.110, 173.115, 173.125, 173.130, 173.141, 173.150, 173.160, 173.170, 173.180, 173.186, 173.187, 173.236, 173.262, 173.264, 173.265, 173.475, 173.775, 173.778, 173.781, 173.784, 173.787, 173.790, 173.793, 173.796, 173.1352, 174.160, 178.550, 178.585, 186.019, 288.040, 620.010, 620.484, 620.490, 620.511, 620.512, 620.513, 620.515, 620.552, 620.554, 620.556, 620.558, 620.560, 620.562, 620.564, 620.566, 620.568, 620.570, 620.572, and 620.574, RSMo, and section 167.910 as enacted by house bill no. 1606, ninety-ninth general assembly, second regular session, and section 167.910 as enacted by house bill no. 1415, ninety-ninth general assembly, second regular session, and to enact in lieu thereof twenty-two new sections relating to higher education.

In which the concurrence of the Senate is respectfully requested.

Read 1st time.

Also,

Madam President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and passed **HB 837**, entitled:

An Act to repeal section 251.034, RSMo, and to enact in lieu thereof one new section relating to state funds for regional planning commissions.

In which the concurrence of the Senate is respectfully requested.

Read 1st time.

Also,

Madam President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and adopted the Conference Committee Report on **SS** for **HCS** for **HBs 737** and **486**, as amended, and has taken up and passed **CCS** for **SS** for **HCS** for **HBs 737** and **486**.

In which the concurrence of the Senate is respectfully requested.

PRIVILEGED MOTIONS

Senator Schroer moved that the Senate refuse to recede from its position on **SS** for **HCS** for **HBs 595** and **343**, as amended, and grant the House a conference thereon, which motion prevailed.

HOUSE BILLS ON THIRD READING

At the request of Senator Trent, **HB 68** was placed on the Informal Calendar.

At the request of Senator Trent, **HCS** for **HB 711**, with **SCS**, was placed on the Informal Calendar.

HB 754, introduced by Representative Oehlerking, with **SCS**, entitled:

An Act to repeal sections 361.909, 362.020, 362.247, 362.275, 362.295, 362.490, 381.410, 427.300, and 447.200, RSMo, and to enact in lieu thereof eleven new sections relating to certain financial organizations, with penalty provisions.

Was taken up by Senator Crawford.

SCS for **HB 754**, entitled:

SENATE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 754

An Act to repeal sections 361.909, 362.020, 362.247, 362.275, 362.295, 362.490, 381.410, 427.300, and 447.200, RSMo, and to enact in lieu thereof eleven new sections relating to certain financial organizations, with penalty provisions.

Was taken up.

Senator Crawford moved that **SCS** for **HB 754** be adopted.

Senator Crawford offered **SS** for **SCS** for **HB 754**, entitled:

SENATE SUBSTITUTE FOR
SENATE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 754

An Act to repeal sections 361.909, 362.020, 362.247, 362.275, 362.295, 362.490, 381.410, 427.300, and 447.200, RSMo, and to enact in lieu thereof ten new sections relating to certain financial organizations, with penalty provisions.

Senator Crawford moved that **SS** for **SCS** for **HB 754** be adopted.

Senator Burger offered **SA 1**:

SENATE AMENDMENT NO. 1

Amend Senate Substitute for Senate Committee Substitute for House Bill No. 754, Page 1, Section A, Line 6, by inserting after all of said line the following:

"143.081. 1. A resident individual, resident estate, and resident trust shall be allowed a credit against the tax otherwise due pursuant to sections 143.005 to 143.998 for the amount of any income tax imposed for the taxable year by another state of the United States (or a political subdivision thereof) or the District of Columbia on income derived from sources therein and which is also subject to tax pursuant to sections 143.005 to 143.998. For purposes of this subsection, the phrase "income tax imposed" shall be that amount of tax before any income tax credit allowed by such other state or the District of Columbia if the other state or the District of Columbia authorizes a reciprocal benefit for residents of this state.

2. The credit provided pursuant to this section shall not exceed an amount which bears the same ratio to the tax otherwise due pursuant to sections 143.005 to 143.998 as the amount of the taxpayer's Missouri adjusted gross income derived from sources in the other jurisdiction bears to the taxpayer's Missouri adjusted gross income derived from all sources. In applying the limitation of the previous sentence to an estate or trust, Missouri taxable income shall be substituted for Missouri adjusted gross income. If the tax of more than one other jurisdiction is imposed on the same item of income, the credit shall not exceed the limitation that would result if the taxes of all the other jurisdictions applicable to the item were deemed to be of a single jurisdiction. The provisions of this subsection shall apply to any credit allowed under this section**, provided that such credit shall be allowed under this section with respect to any estate or trust to the extent its Missouri adjusted gross income is excluded from Missouri taxable income pursuant to the subtraction set forth in subsection 3 of section 143.341**.

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

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

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

143.341. 1. The Missouri taxable income of a resident estate or trust means its federal taxable income subject to the modifications in this section.

2. There shall be subtracted the amount if any that the federal personal exemption deduction allowable to the estate or trust exceeds its federal taxable income without its personal exemption deduction.

3. For all tax years beginning on or after January 1, 2026, there shall be subtracted that amount included in Missouri taxable income of the estate or trust that would not be included as Missouri taxable income if said estate or trust were considered a nonresident estate or trust as defined in section 143.371. This subtraction shall only apply to the extent it is not a determinant of the federal distributable net income of the estate or trust.

[3.**]** **4.** There shall be added or subtracted, as the case may be, the modifications described in sections 143.121 and 143.141, and there shall be subtracted the federal income tax deduction provided in section 143.171. These additions and subtractions shall only apply to the extent that they are not determinants of the federal distributable net income of the estate or trust.

[4.**]** **5.** There shall be added or subtracted, as the case may be, the share of the estate or trust in the fiduciary adjustment determined under section 143.351.

Further amend said bill, page 30, section 427.300, line 317, by inserting after all of said line the following:

"456.1-108. 1. Without precluding other means for establishing a sufficient connection with the designated jurisdiction, terms of a trust designating the principal place of administration are valid and controlling if:

(1) a trustee's principal place of business is located in or a trustee is a resident of the designated jurisdiction; or

(2) all or part of the administration occurs in the designated jurisdiction.

2. Without precluding the right of the court to order, approve, or disapprove a transfer, the trustee may transfer the trust's principal place of administration to another state or to a jurisdiction outside of the United States that is appropriate to the trust's purposes, its administration, and the interests of the beneficiaries.

3. The trustee shall notify the qualified beneficiaries of a proposed transfer of a trust's principal place of administration not less than sixty days before initiating the transfer. The notice of proposed transfer must include:

(1) the name of the jurisdiction to which the principal place of administration is to be transferred;

(2) the address and telephone number at the new location at which the trustee can be contacted;

(3) an explanation of the reasons for the proposed transfer;

(4) **a notice that states a change in the place of administration may result in a change of the governing law, which may affect the rights of any beneficiaries in ways that are different from the current governing law;**

(5) the date on which the proposed transfer is anticipated to occur; and

[(5)**]** **(6)** the date, not less than sixty days after the giving of the notice, by which the qualified beneficiary must notify the trustee of an objection to the proposed transfer.

4. The authority of a trustee under this section to transfer a trust's principal place of administration without an order of a court terminates if a qualified beneficiary notifies the trustee of an objection to the proposed transfer on or before the date specified in the notice.

5. In connection with a transfer of the trust's principal place of administration, the trustee may transfer some or all of the trust property to a successor trustee designated in the terms of the trust or appointed pursuant to section 456.7-704.

456.10-1005. 1. A beneficiary **[**may**]** **shall** not commence a proceeding against a trustee for breach of trust more than one year after the last to occur of the date the beneficiary or a representative of the beneficiary was sent a report that adequately disclosed the existence of a potential claim for breach of trust and the date the trustee informed the beneficiary of the time allowed for commencing a proceeding with respect to any potential claim adequately disclosed on the report.

2. A report adequately discloses the existence of a potential claim for breach of trust if it provides sufficient information so that the beneficiary or representative knows of the potential claim or should have inquired into its existence.

3. If subsection 1 of this section does not apply, a judicial proceeding by a beneficiary against a trustee for breach of trust **[**must**]** **shall** be commenced within five years after the first to occur of:

(1) the removal, resignation, or death of the trustee;

(2) the **occurrence of the event causing a** termination of the beneficiary's interest in the trust; or

(3) the **occurrence of the event causing a** termination of the trust.

474.540. The provisions of sections 474.540 to 474.564 shall be known and may be cited as the "Missouri Electronic Wills and Electronic Estate Planning Documents Act".

474.542. As used in sections 474.540 to 474.564, the following terms mean:

(1) "Electronic", technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities;

(2) "Electronic presence", the relationship of two or more individuals in different locations in real time using technology enabling live, interactive audio-visual communication that allows for observation, direct interaction, and communication between or among the individuals;

(3) "Electronic will", a will executed electronically in compliance with subsection 1 of section 474.548;

(4) "Record", information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form;

(5) "Security procedure", a procedure to verify that an electronic signature, record, or performance is that of a specific person or to detect a change or error in an electronic record, including a procedure that uses an algorithm, code, identifying word or number, encryption, or callback or other acknowledgment procedure;

(6) "Sign", with present intent to authenticate or adopt a record to:

(a) Execute or adopt a tangible symbol; or

(b) Affix to or logically associate with the record an electronic symbol or process;

(7) "State", a state of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, a federally recognized Indian tribe, or any territory or insular possession subject to the jurisdiction of the United States;

(8) "Will", a codicil and any testamentary instrument that appoints an executor, revokes or revises another will, nominates a guardian, or expressly excludes or limits the right of an individual or class to succeed to property of the decedent passing by intestate succession.

474.544. An electronic will shall be a will for all purposes of the laws of this state. The provisions of law applicable to wills and principles of equity shall apply to an electronic will, except as modified by sections 474.540 to 474.564.

474.546. A will executed electronically, but not in compliance with subsection 1 of section 474.548, shall be an electronic will under the provisions of sections 474.540 to 474.564 if executed in compliance with the law of the jurisdiction where the testator is:

(1) Physically located when the will is signed; or

(2) Domiciled, or where the testator resides, when the will is signed or when the testator dies.

474.548. 1. An electronic will shall be:

(1) A record that is readable as text at the time of signing as provided in subdivision (2) of this subsection and remains accessible as text for later reference;

(2) Signed by:

(a) The testator; or

(b) Another individual in the testator's name, in the testator's physical presence, and by the testator's direction; and

(3) Signed in the physical or electronic presence of the testator by at least two individuals after witnessing:

(a) The signing of the will pursuant to subdivision (2) of this subsection; or

(b) The testator's acknowledgment of the signing of the will pursuant to subdivision (2) of this subsection or acknowledgment of the will.

2. The intent of a testator that the record in subdivision (1) of subsection 1 of this section be the testator's electronic will may be established by extrinsic evidence.

3. In accordance with the provisions of sections 474.337 or 474.550, a witness to a will shall be a resident of a state and physically located in a state at the time of signing if no self-proving affidavit is signed contemporaneously with the execution of the electronic will.

474.550. At the time of its execution or at any subsequent date, an electronic will may be made self-proved in the same manner as specified in section 474.337 or, if fewer than two witnesses are physically present in the same location as the testator at the time of such acknowledgments, before a remote online notary authorized to perform a remote online notarization in this state under the law of any state or the United States, and evidenced by a remote online notarial certificate, in form and content substantially as follows, subject to the additional requirements under section 486.1165:

State of _____

County (and/or City) of _____

I, the undersigned notary, certify that _____, the testator, and the witnesses, whose names are signed to the attached or foregoing instrument, having personally appeared before me by remote online means, and having been first duly sworn, each then declared to me that the testator signed and executed the instrument as the testator's last will, and that the testator had willingly signed or willingly directed another to sign for the testator, and that the testator executed it as the testator's free and voluntary act for the purposes therein expressed; and that each of the witnesses, in the presence and hearing of the testator, signed the will as witness and that to the best of the witnesses' knowledge the testator was at that time eighteen or more years of age, of sound mind, and under no constraint or undue influence.

In witness thereof I have hereunto subscribed my name and affixed my official seal this _____ (date).

_____ (official signature and seal of notary)

474.552. 1. An electronic will may revoke all or part of a previous will.

2. All or part of an electronic will shall be revoked by:

(1) A subsequent will that revokes all or part of the electronic will expressly or by inconsistency;

(2) A written instrument signed by the testator declaring the revocation; or

(3) A physical act, if it is established by a preponderance of the evidence that the testator, with the intent of revoking all or part of the will, performed the act or directed another individual who performed the act in the testator's physical presence.

3. If there is evidence that a testator signed an electronic will and neither the electronic will nor a certified paper copy of the electronic will can be located after a testator's death, there shall be a

presumption that the testator revoked the electronic will, even if no instrument or later will revoking the electronic will can be located.

474.554. Without further notice, at any time during the administration of the estate or, if there is no grant of administration, upon such notice and in such manner as the court directs, the court may issue an order pursuant to sections 472.400 to 472.490 for a custodian of an account held under a terms-of-service agreement to disclose digital assets for the purposes of obtaining an electronic will from the account of a deceased user. If there is no grant of administration at the time the court issues the order, the court's order shall grant disclosure to the petitioner who is deemed a personal representative for sections 472.400 to 472.490.

474.556. 1. An individual may create a certified paper copy of an electronic will by affirming under penalty of perjury that a paper copy of the electronic will is a complete, true, and accurate copy of the electronic will. If the electronic will is made self-proving, the certified paper copy of the will shall include a self-proving affidavit as provided in sections 474.337 or 474.550.

2. If a provision of law or rule of procedure requires a will to be presented or retained in its original form or provides legal consequences for the information not being presented or retained in its original form, that provision or rule shall be satisfied by a certified paper copy of an electronic will.

474.558. In applying and construing the provisions of sections 474.540 to 474.564, consideration shall be given to the need to promote uniformity of the law with respect to its subject matter among states that enact similar provisions.

474.560. 1. Any written estate planning document may be executed electronically, and no such estate planning document shall be invalid or void solely because it is in electronic form or because it is signed electronically by a settlor, trustee, principal, grantor, declarant, or owner, or by a witness to any such person's signature. For purposes of this section, "estate planning document" shall include, but not be limited to:

(1) A power of attorney or durable power of attorney;

(2) A health care declaration;

(3) An advance directive;

(4) A power of attorney for health care or durable power of attorney for health care;

(5) A revocable trust or amendment thereto, or modification or revocation thereof;

(6) An irrevocable trust;

(7) A beneficiary deed;

(8) A nonprobate transfer; or

(9) A document modifying, amending, correcting, or revoking any written estate planning document.

2. (1) An electronic estate planning document or an electronic signature on such document shall be attributable to a person if it was the act of the person. The act of the person may be shown in any manner, including a showing of the efficacy of a security procedure applied to determine the person to which the electronic record or signature was attributable.

(2) The effect of attribution of a document or signature to a person pursuant to subdivision (1) of this subsection shall be determined from the context and surrounding circumstances at the time of its creation, execution, or adoption and as provided by other provisions of law.

3. (1) Unless otherwise provided under its terms, any electronic estate planning document may be signed in one or more counterparts, and each separate counterpart may be an electronic document or a paper document, provided that all signed counterpart pages of each document are incorporated into, or attached to, the document.

(2) An individual may create a certified paper copy of any such electronic estate planning document by affirming under penalty of perjury that a paper copy of the electronic estate planning document is a complete, true, and accurate copy of such document. If a provision of law or rule of procedure requires an estate planning document to be presented or retained in its original form or provides legal consequences for the information not being presented or retained in its original form, such provision or rule shall be satisfied by a certified paper copy of an electronic document.

4. Any written estate planning document, other than a will, that requires one or more witnesses to the signature of a principal may be witnessed by any individual or individuals in the electronic presence of the principal.

5. A person who acts in reliance upon an electronically executed written estate planning document shall not be liable to any person for so relying and may assume without inquiry the valid execution of the electronically executed written estate planning document.

6. This section does not require a written estate planning document to be electronically signed.

7. The laws of this state and principles of equity applicable to any estate planning document shall apply to any electronic estate planning document except as modified by this section.

474.562. The provisions of sections 474.540 to 474.564 modify, limit, and supersede the federal Electronic Signatures in Global and National Commerce Act, 15 U.S.C. Section 7001, et seq., but do not modify, limit, or supersede Section 101(c) of that act, 15 U.S.C. Section 7001(c), or authorize electronic delivery of any of the notices described in Section 103(b) of that act, 15 U.S.C. Section 7003(b).

474.564. The provisions of sections 474.540 to 474.564 shall apply to any will of a decedent who dies on or after August 28, 2025, and to each written estate planning document, as that term is defined in section 474.560, signed or remotely witnessed on or after August 28, 2025.

474.600. 1. As used in this section, the following terms mean:

(1) "Applicable state of emergency", the period between April 6, 2020, and December 31, 2021, during which a state of emergency existed due to a COVID-19 public health threat, as proclaimed by the governor, and during which executive orders 20-08, 20-10, 20-12, 20-14, 20-19, 21-07, and 21-

09 temporarily suspended the physical appearance requirements in this chapter and authorized the use of audio-visual technology to the extent that any Missouri statute required the physical presence of any testator, settlor, principal, witness, notary, or other person necessary for the effective execution of any estate planning document such as a will, trust, or power of attorney, or a self-proving affidavit of the execution of such document, if the conditions set forth in the executive orders were met;

(2) "Estate planning document", includes, but is not limited to:

(a) A will;

(b) A codicil;

(c) A power of attorney or durable power of attorney;

(d) A health care declaration;

(e) An advance directive;

(f) A power of attorney for health care or a durable power of attorney for health care;

(g) A revocable trust or amendment thereto, or modification or revocation thereof;

(h) An irrevocable trust;

(i) A beneficiary deed;

(j) A nonprobate transfer; or

(k) A document modifying, amending, correcting, or revoking any written estate planning document;

(3) "Necessary person", any testator, settlor, grantor, principal, declarant, witness, notary, or other person required for the effective execution of any estate planning document in this state;

(4) "Physical presence requirement", includes, but is not limited to, any requirement of physical presence under section 404.705, 459.015, 474.320, or 474.337, or chapter 486.

2. With respect to the execution of an estate planning document, a necessary person shall be deemed to have satisfied any physical presence requirement under Missouri law during the applicable state of emergency if the following requirements were met:

(1) The signer affirmatively represented that the signer was physically situated in the state of Missouri;

(2) The notary was physically located in the state of Missouri and stated in which county the notary was physically located for the jurisdiction on the acknowledgment;

(3) The notary identified the signers to the satisfaction of the notary and Missouri law;

(4) Any person whose signature was required appeared using video conference software where live, interactive audio-visual communication between the principal, notary, and other necessary person allowed for observation, direct interaction, and communication at the time of signing; and

(5) The notary recorded in the notary's journal the exact time and means used to perform the notarial act, along with all other required information, absent the wet signatures.

3. The requirements of subdivisions (1) to (5) of subsection 2 of this section shall be deemed satisfied if an attorney who is licensed or authorized to practice law in Missouri and who was present at the remote execution signs a written acknowledgment made before an officer authorized to administer oaths under the laws of this state, and evidenced by the officer's certificate, under official seal, affixed to or logically associated with the acknowledgment. The form and content of the acknowledgment shall be substantially as follows:

State of _____

County of _____

AFFIDAVIT OF REMOTE EXECUTION OF DOCUMENTS

I, _____, am an attorney licensed or authorized to practice law in the state of Missouri.

On _____ (date), I convened with the following individuals via video conference software that allowed for live, interactive audio-visual communication between the parties to the conference and that also allowed for observation, direction, interaction, and communication between:

_____, the (testator, settlor, grantor, principal, or declarant);

_____, a witness;

_____, a second witness; and

_____, a notary public.

During the conference, _____, the (testator, settlor, grantor, principal, or declarant) signed the following estate planning document or documents: (a will, codicil, power of attorney, durable power of attorney, health care declaration, advance directive, health care power of attorney, revocable trust, irrevocable trust, beneficiary deed, nonprobate transfer, self-proving affidavit of the execution of a will, or a document modifying, amending, correcting, or revoking one of these estate planning documents).

All the parties to the conference represented that they were physically located in the state of Missouri at the time of the signing.

I have reviewed and am familiar with the requirements of the applicable executive order or orders in effect at the time and affirm that the remote execution of the estate planning document or documents met all the requirements of the applicable executive order or orders.

In witness whereof I, an officer authorized to administer oaths, have hereunto subscribed my name

and affixed my official seal this _____ (date).

(Signed) _____

(SEAL) _____

(Official capacity of officer)

"; and

Further amend the title and enacting clause accordingly.

Senator Burger moved that the above amendment be adopted, which motion prevailed.

Senator Brattin offered **SA 2**:

SENATE AMENDMENT NO. 2

Amend Senate Substitute for Senate Committee Substitute for House Bill No. 754, Page 1, Section A, Line 6, by inserting after all of said line the following:

"143.121. 1. The Missouri adjusted gross income of a resident individual shall be the taxpayer's federal adjusted gross income subject to the modifications in this section.

2. There shall be added to the taxpayer's federal adjusted gross income:

(1) The amount of any federal income tax refund received for a prior year which resulted in a Missouri income tax benefit. The amount added pursuant to this subdivision shall not include any amount of a federal income tax refund attributable to a tax credit reducing a taxpayer's federal tax liability pursuant to Public Law 116-136 or 116-260, enacted by the 116th United States Congress, for the tax year beginning on or after January 1, 2020, and ending on or before December 31, 2020, and deducted from Missouri adjusted gross income pursuant to section 143.171. The amount added under this subdivision shall also not include any amount of a federal income tax refund attributable to a tax credit reducing a taxpayer's federal tax liability under any other federal law that provides direct economic impact payments to taxpayers to mitigate financial challenges related to the COVID-19 pandemic, and deducted from Missouri adjusted gross income under section 143.171;

(2) Interest on certain governmental obligations excluded from federal gross income by 26 U.S.C. Section 103 of the Internal Revenue Code, as amended. The previous sentence shall not apply to interest on obligations of the state of Missouri or any of its political subdivisions or authorities and shall not apply to the interest described in subdivision (1) of subsection 3 of this section. The amount added pursuant to this subdivision shall be reduced by the amounts applicable to such interest that would have been deductible in computing the taxable income of the taxpayer except only for the application of 26 U.S.C. Section 265 of the Internal Revenue Code, as amended. The reduction shall only be made if it is at least five hundred dollars;

(3) The amount of any deduction that is included in the computation of federal taxable income pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code as amended by the Job Creation and Worker Assistance Act of 2002 to the extent the amount deducted relates to property purchased on or after

July 1, 2002, but before July 1, 2003, and to the extent the amount deducted exceeds the amount that would have been deductible pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code of 1986 as in effect on January 1, 2002;

(4) The amount of any deduction that is included in the computation of federal taxable income for net operating loss allowed by 26 U.S.C. Section 172 of the Internal Revenue Code of 1986, as amended, other than the deduction allowed by 26 U.S.C. Section 172(b)(1)(G) and 26 U.S.C. Section 172(i) of the Internal Revenue Code of 1986, as amended, for a net operating loss the taxpayer claims in the tax year in which the net operating loss occurred or carries forward for a period of more than twenty years and carries backward for more than two years. Any amount of net operating loss taken against federal taxable income but disallowed for Missouri income tax purposes pursuant to this subdivision after June 18, 2002, may be carried forward and taken against any income on the Missouri income tax return for a period of not more than twenty years from the year of the initial loss; and

(5) For nonresident individuals in all taxable years ending on or after December 31, 2006, the amount of any property taxes paid to another state or a political subdivision of another state for which a deduction was allowed on such nonresident's federal return in the taxable year unless such state, political subdivision of a state, or the District of Columbia allows a subtraction from income for property taxes paid to this state for purposes of calculating income for the income tax for such state, political subdivision of a state, or the District of Columbia;

(6) For all tax years beginning on or after January 1, 2018, any interest expense paid or accrued in a previous taxable year, but allowed as a deduction under 26 U.S.C. Section 163, as amended, in the current taxable year by reason of the carryforward of disallowed business interest provisions of 26 U.S.C. Section 163(j), as amended. For the purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under 26 U.S.C. Section 163, as amended, if the limitation under 26 U.S.C. Section 163(j), as amended, did not exist.

3. There shall be subtracted from the taxpayer's federal adjusted gross income the following amounts to the extent included in federal adjusted gross income:

(1) Interest received on deposits held at a federal reserve bank or interest or dividends on obligations of the United States and its territories and possessions or of any authority, commission or instrumentality of the United States to the extent exempt from Missouri income taxes pursuant to the laws of the United States. The amount subtracted pursuant to this subdivision shall be reduced by any interest on indebtedness incurred to carry the described obligations or securities and by any expenses incurred in the production of interest or dividend income described in this subdivision. The reduction in the previous sentence shall only apply to the extent that such expenses including amortizable bond premiums are deducted in determining the taxpayer's federal adjusted gross income or included in the taxpayer's Missouri itemized deduction. The reduction shall only be made if the expenses total at least five hundred dollars;

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis to the taxpayer for Missouri income tax purposes than for federal income tax purposes on December 31, 1972, that does not exceed such difference in basis. If a gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to one-half of such portion of the gain;

(3) The amount necessary to prevent the taxation pursuant to this chapter of any annuity or other amount of income or gain which was properly included in income or gain and was taxed pursuant to the laws of Missouri for a taxable year prior to January 1, 1973, to the taxpayer, or to a decedent by reason of whose death the taxpayer acquired the right to receive the income or gain, or to a trust or estate from which the taxpayer received the income or gain;

(4) Accumulation distributions received by a taxpayer as a beneficiary of a trust to the extent that the same are included in federal adjusted gross income;

(5) The amount of any state income tax refund for a prior year which was included in the federal adjusted gross income;

(6) The portion of capital gain specified in section 135.357 that would otherwise be included in federal adjusted gross income;

(7) The amount that would have been deducted in the computation of federal taxable income pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code as in effect on January 1, 2002, to the extent that amount relates to property purchased on or after July 1, 2002, but before July 1, 2003, and to the extent that amount exceeds the amount actually deducted pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code as amended by the Job Creation and Worker Assistance Act of 2002;

(8) For all tax years beginning on or after January 1, 2005, the amount of any income received for military service while the taxpayer serves in a combat zone which is included in federal adjusted gross income and not otherwise excluded therefrom. As used in this section, "combat zone" means any area which the President of the United States by Executive Order designates as an area in which Armed Forces of the United States are or have engaged in combat. Service is performed in a combat zone only if performed on or after the date designated by the President by Executive Order as the date of the commencing of combat activities in such zone, and on or before the date designated by the President by Executive Order as the date of the termination of combatant activities in such zone;

(9) For all tax years ending on or after July 1, 2002, with respect to qualified property that is sold or otherwise disposed of during a taxable year by a taxpayer and for which an additional modification was made under subdivision (3) of subsection 2 of this section, the amount by which additional modification made under subdivision (3) of subsection 2 of this section on qualified property has not been recovered through the additional subtractions provided in subdivision (7) of this subsection;

(10) For all tax years beginning on or after January 1, 2014, the amount of any income received as payment from any program which provides compensation to agricultural producers who have suffered a loss as the result of a disaster or emergency, including the:

(a) Livestock Forage Disaster Program;

(b) Livestock Indemnity Program;

(c) Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish;

(d) Emergency Conservation Program;

(e) Noninsured Crop Disaster Assistance Program;

(f) Pasture, Rangeland, Forage Pilot Insurance Program;

(g) Annual Forage Pilot Program;

(h) Livestock Risk Protection Insurance Plan;

(i) Livestock Gross Margin Insurance Plan;

(11) For all tax years beginning on or after January 1, 2018, any interest expense paid or accrued in the current taxable year, but not deducted as a result of the limitation imposed under 26 U.S.C. Section 163(j), as amended. For the purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under 26 U.S.C. Section 163, as amended, if the limitation under 26 U.S.C. Section 163(j), as amended, did not exist;

(12) One hundred percent of any retirement benefits received by any taxpayer as a result of the taxpayer's service in the Armed Forces of the United States, including reserve components and the National Guard of this state, as defined in 32 U.S.C. Sections 101(3) and 109, and any other military force organized under the laws of this state; **[**and**]**

(13) For all tax years beginning on or after January 1, 2022, one hundred percent of any federal, state, or local grant moneys received by the taxpayer if the grant money was disbursed for the express purpose of providing or expanding access to broadband internet to areas of the state deemed to be lacking such access**; and**

(14) For all tax years beginning on or after January 1, 2026, the portion of capital gains on the sale or exchange of specie, as that term is defined in section 408.010, that are otherwise included in the taxpayer's federal adjusted gross income.

4. There shall be added to or subtracted from the taxpayer's federal adjusted gross income the taxpayer's share of the Missouri fiduciary adjustment provided in section 143.351.

5. There shall be added to or subtracted from the taxpayer's federal adjusted gross income the modifications provided in section 143.411.

6. In addition to the modifications to a taxpayer's federal adjusted gross income in this section, to calculate Missouri adjusted gross income there shall be subtracted from the taxpayer's federal adjusted gross income any gain recognized pursuant to 26 U.S.C. Section 1033 of the Internal Revenue Code of 1986, as amended, arising from compulsory or involuntary conversion of property as a result of condemnation or the imminence thereof.

7. (1) As used in this subsection, "qualified health insurance premium" means the amount paid during the tax year by such taxpayer for any insurance policy primarily providing health care coverage for the taxpayer, the taxpayer's spouse, or the taxpayer's dependents.

(2) In addition to the subtractions in subsection 3 of this section, one hundred percent of the amount of qualified health insurance premiums shall be subtracted from the taxpayer's federal adjusted gross income to the extent the amount paid for such premiums is included in federal taxable income. The taxpayer shall provide the department of revenue with proof of the amount of qualified health insurance premiums paid.

8. (1) Beginning January 1, 2014, in addition to the subtractions provided in this section, one hundred percent of the cost incurred by a taxpayer for a home energy audit conducted by an entity certified by the department of natural resources under section 640.153 or the implementation of any energy efficiency recommendations made in such an audit shall be subtracted from the taxpayer's federal adjusted gross income to the extent the amount paid for any such activity is included in federal taxable income. The taxpayer shall provide the department of revenue with a summary of any recommendations made in a qualified home energy audit, the name and certification number of the qualified home energy auditor who conducted the audit, and proof of the amount paid for any activities under this subsection for which a deduction is claimed. The taxpayer shall also provide a copy of the summary of any recommendations made in a qualified home energy audit to the department of natural resources.

(2) At no time shall a deduction claimed under this subsection by an individual taxpayer or taxpayers filing combined returns exceed one thousand dollars per year for individual taxpayers or cumulatively exceed two thousand dollars per year for taxpayers filing combined returns.

(3) Any deduction claimed under this subsection shall be claimed for the tax year in which the qualified home energy audit was conducted or in which the implementation of the energy efficiency recommendations occurred. If implementation of the energy efficiency recommendations occurred during more than one year, the deduction may be claimed in more than one year, subject to the limitations provided under subdivision (2) of this subsection.

(4) A deduction shall not be claimed for any otherwise eligible activity under this subsection if such activity qualified for and received any rebate or other incentive through a state-sponsored energy program or through an electric corporation, gas corporation, electric cooperative, or municipally owned utility.

9. The provisions of subsection 8 of this section shall expire on December 31, 2020.

10. (1) As used in this subsection, the following terms mean:

(a) "Beginning farmer", a taxpayer who:

a. Has filed at least one but not more than ten Internal Revenue Service Schedule F (Form 1040) Profit or Loss From Farming forms since turning eighteen years of age;

b. Is approved for a beginning farmer loan through the USDA Farm Service Agency Beginning Farmer direct or guaranteed loan program;

c. Has a farming operation that is determined by the department of agriculture to be new production agriculture but is the principal operator of a farm and has substantial farming knowledge; or

d. Has been determined by the department of agriculture to be a qualified family member;

(b) "Farm owner", an individual who owns farmland and disposes of or relinquishes use of all or some portion of such farmland as follows:

a. A sale to a beginning farmer;

b. A lease or rental agreement not exceeding ten years with a beginning farmer; or

c. A crop-share arrangement not exceeding ten years with a beginning farmer;

(c) "Qualified family member", an individual who is related to a farm owner within the fourth degree by blood, marriage, or adoption and who is purchasing or leasing or is in a crop-share arrangement for land from all or a portion of such farm owner's farming operation.

(2) (a) In addition to all other subtractions authorized in this section, a taxpayer who is a farm owner who sells all or a portion of such farmland to a beginning farmer may subtract from such taxpayer's Missouri adjusted gross income an amount to the extent included in federal adjusted gross income as provided in this subdivision.

(b) Subject to the limitations in paragraph (c) of this subdivision, the amount that may be subtracted shall be equal to the portion of capital gains received from the sale of such farmland that such taxpayer receives in the tax year for which such taxpayer subtracts such capital gain.

(c) A taxpayer may subtract the following amounts and percentages per tax year in total capital gains received from the sale of such farmland under this subdivision:

a. For the first two million dollars received, one hundred percent;

b. For the next one million dollars received, eighty percent;

c. For the next one million dollars received, sixty percent;

d. For the next one million dollars received, forty percent; and

e. For the next one million dollars received, twenty percent.

(d) The department of revenue shall prepare an annual report reviewing the costs and benefits and containing statistical information regarding the subtraction of capital gains authorized under this subdivision for the previous tax year including, but not limited to, the total amount of all capital gains subtracted and the number of taxpayers subtracting such capital gains. Such report shall be submitted before February first of each year to the committee on agriculture policy of the Missouri house of representatives and the committee on agriculture, food production and outdoor resources of the Missouri senate, or the successor committees.

(3) (a) In addition to all other subtractions authorized in this section, a taxpayer who is a farm owner who enters a lease or rental agreement for all or a portion of such farmland with a beginning farmer may subtract from such taxpayer's Missouri adjusted gross income an amount to the extent included in federal adjusted gross income as provided in this subdivision.

(b) Subject to the limitation in paragraph (c) of this subdivision, the amount that may be subtracted shall be equal to the portion of cash rent income received from the lease or rental of such farmland that such taxpayer receives in the tax year for which such taxpayer subtracts such income.

(c) No taxpayer shall subtract more than twenty-five thousand dollars per tax year in total cash rent income received from the lease or rental of such farmland under this subdivision.

(4) (a) In addition to all other subtractions authorized in this section, a taxpayer who is a farm owner who enters a crop-share arrangement on all or a portion of such farmland with a beginning farmer may subtract from such taxpayer's Missouri adjusted gross income an amount to the extent included in federal adjusted gross income as provided in this subdivision.

(b) Subject to the limitation in paragraph (c) of this subdivision, the amount that may be subtracted shall be equal to the portion of income received from the crop-share arrangement on such farmland that such taxpayer receives in the tax year for which such taxpayer subtracts such income.

(c) No taxpayer shall subtract more than twenty-five thousand dollars per tax year in total income received from the lease or rental of such farmland under this subdivision.

(5) The department of agriculture shall, by rule, establish a process to verify that a taxpayer is a beginning farmer for purposes of this section and shall provide verification to the beginning farmer and farm seller of such farmer's and seller's certification and qualification for the exemption provided in this subsection."; and

Further amend said bill, page 20, section 381.410, line 54, by inserting after all of said line the following:

"408.010. **[**The silver coins of the United States are hereby declared a**] 1. This section shall be known and may be cited as the "Constitutional Money Act".**

2. Specie legal tender and electronic currency shall be accepted as legal tender**[**, at their par value, fixed by the laws of the United States, and shall be receivable in**] for** payment of all **public** debts**[**, public or private,**]** hereafter contracted in the state of Missouri**[**; provided, however, that no person shall have the right to pay, upon any one debt, dimes and half dimes to an amount exceeding ten dollars, or of twenty and twenty-five cent pieces exceeding twenty dollars**] and may be accepted as payment for all private debts hereafter contracted in the state of Missouri, in the discretion of the receiving entity.**

3. The director of the department of revenue shall promulgate rules on the methods of acceptance of specie legal tender as payment for any debt, tax, fee, or obligation owed. Costs incurred in the course of verification of the weight and purity of any specie legal tender or electronic currency during any such transaction shall be borne by the receiving entity. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this subsection shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This subsection and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2025, shall be invalid and void.

4. Except as expressly provided by contract, no person or entity shall be required to use specie legal tender or electronic currency in the payment of any debt and nothing in this section shall prohibit the use of federal reserve notes in the payment of any debt.

5. Any entity doing business in this state may, if requested by an employee, pay compensation to such employee, in full or in part, in the dollar equivalent specie legal tender either in physical or in electronic transfer form. Any entity choosing to compensate its employees in specie legal tender shall be responsible for verifying the weight and purity of any physical specie legal tender before compensating employees.

6. Under no circumstance shall the state of Missouri or any department, agency, court, political subdivision, or instrumentality thereof:

(1) Seize from any person any specie legal tender or electronic currency that is owned by such person, except as otherwise provided in section 513.607. Any person whose specie legal tender or electronic currency is seized in violation of this subdivision shall have a cause of action in a court of competent jurisdiction, with any successful such action resulting in the award of attorney's fees;

(2) Enforce or attempt to enforce any federal acts, laws, executive orders, administrative orders, rules, regulations, statutes, or ordinances infringing on the right of a person to keep and use specie legal tender and electronic currency as provided in this section;

(3) Restrict in any way the ability of a person or financial institution to acquire specie legal tender or electronic currency or use specie legal tender or electronic currency in transactions; or

(4) Enact any law discriminating or favoring one means of legal tender in the course of a transaction over another means of legal tender.

7. For purposes of this section, the following terms mean:

(1) "Bullion", refined precious metal, limited to gold and silver only, in any shape or form, with uniform content and purity, including, but not limited to, coins, rounds, bars, ingots, and any other products, that are:

(a) Stamped or imprinted with the weight and purity of the precious metal that it contains; and

(b) Valued primarily based on its metal content and not on its form and function;

(2) "Electronic currency", a representation of actual gold and silver, specie, and bullion held in an account, which may be transferred by electronic instruction. Such representation shall reflect the exact unit of physical specie or gold and silver bullion in the account in its fractional troy ounce measurement as provided in this section;

(3) "Legal tender", a recognized medium of exchange for the payment of debts, public charges, taxes, or dues that is:

(a) Authorized by the United States Congress under Article I, Section 8 of the Constitution of the United States; or

(b) Authorized by Missouri law under Article I, Section 10 of the Constitution of the United States;

(4) "Precious metal", gold or silver;

(5) "Specie", bullion fabricated into products of uniform shape, size, design, content, weight, and purity that are suitable for or customarily used as currency, as a medium of exchange, or as the medium for purchase, sale, storage, transfer, or delivery of precious metals in retail or wholesale transactions;

(6) "Specie legal tender", includes any of the following:

(a) Specie coin issued by the federal government at any time; and

(b) Any other specie, provided such specie does not contain any insignia, symbols, or other recognizable logos of the Nazi Party."; and

Further amend the title and enacting clause accordingly.

Senator Brattin moved that the above amendment be adopted.

Senator Nicola offered **SA 1** to **SA 2**:

SENATE AMENDMENT NO. 1 TO
SENATE AMENDMENT NO. 2

Amend Senate Amendment No. 2 to Senate Substitute for Senate Committee Substitute for House Bill No. 754, Page 1, Line 2, by inserting after all of said line the following:

"**34.700. 1. A public entity shall not:**

(1) Accept a payment using central bank digital currency; or

(2) Participate in any test of central bank digital currency by any Federal Reserve branch.

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

(1) "Central bank digital currency", the same meaning as in section 400.1-201;

(2) "Public entity", the state of Missouri or any political subdivision thereof, including all boards, commissions, agencies, institutions, authorities, and bodies politic and corporate of the state created by or in accordance with state law or regulations."; and

Further amend said amendment, page 12, line 375, by inserting after all of said line the following:

"400.1-201. (a) Unless the context otherwise requires, words or phrases defined in this section, or in the additional definitions contained in other articles of this chapter that apply to particular articles or parts thereof, have the meanings stated.

(b) Subject to definitions contained in other articles of this chapter that apply to particular articles or parts thereof:

(1) "Action", in the sense of a judicial proceeding, includes recoupment, counterclaim, set-off, suit in equity, and any other proceeding in which rights are determined.

(2) "Aggrieved party" means a party entitled to pursue a remedy.

(3) "Agreement", as distinguished from "contract", means the bargain of the parties in fact, as found in their language or inferred from other circumstances, including course of performance, course of dealing, or usage of trade as provided in section 400.1-303.

(4) "Bank" means a person engaged in the business of banking and includes a savings bank, savings and loan association, credit union, and trust company.

(5) "Bearer" means a person in possession of a negotiable instrument, document of title, or certificated security that is payable to bearer or indorsed in blank.

(6) "Bill of lading" means a document evidencing the receipt of goods for shipment issued by a person engaged in the business of transporting or forwarding goods.

(7) "Branch" includes a separately incorporated foreign branch of a bank.

(8) "Burden of establishing" a fact means the burden of persuading the trier of fact that the existence of the fact is more probable than its nonexistence.

(9) "Buyer in ordinary course of business" means a person that buys goods in good faith, without knowledge that the sale violates the rights of another person in the goods, and in the ordinary course from a person, other than a pawnbroker, in the business of selling goods of that kind. A person buys goods in the ordinary course if the sale to the person comports with the usual or customary practices in the kind of business in which the seller is engaged or with the seller's own usual or customary practices. A person that sells oil, gas, or other minerals at the wellhead or minehead is a person in the business of selling goods of that kind. A buyer in ordinary course of business may buy for cash, by exchange of other property, or on secured or unsecured credit, and may acquire goods or documents of title under a preexisting contract for sale. Only a buyer that takes possession of the goods or has a right to recover the goods from the seller under article 2 may be a buyer in ordinary course of business. "Buyer in ordinary course of business" does not include a person that acquires goods in a transfer in bulk or as security for or in total or partial satisfaction of a money debt.

(9A) "Central bank digital currency" means a digital currency, a digital medium of exchange, or a digital monetary unit of account issued by the United States Federal Reserve System, a federal agency, a foreign government, a foreign central bank, or a foreign reserve system, that is made directly available to a consumer by such entities. The term includes a digital currency, a digital medium of exchange, or a digital monetary unit of account issued by the United States Federal Reserve System, a federal agency, a foreign government, a foreign central bank, or a foreign reserve system, that is processed or validated directly by such entities.

(10) "Conspicuous", with reference to a term, means so written, displayed, or presented that a reasonable person against which it is to operate ought to have noticed it. Whether a term is "conspicuous" or not is a decision for the court. Conspicuous terms include the following:

(A) a heading in capitals equal to or greater in size than the surrounding text, or in contrasting type, font, or color to the surrounding text of the same or lesser size; and

(B) language in the body of a record or display in larger type than the surrounding text, or in contrasting type, font, or color to the surrounding text of the same size, or set off from surrounding text of the same size by symbols or other marks that call attention to the language.

(11) "Consumer" means an individual who enters into a transaction primarily for personal, family, or household purposes.

(12) "Contract", as distinguished from "agreement", means the total legal obligation that results from the parties' agreement as determined by this chapter as supplemented by any other applicable laws.

(13) "Creditor" includes a general creditor, a secured creditor, a lien creditor, and any representative of creditors, including an assignee for the benefit of creditors, a trustee in bankruptcy, a receiver in equity, and an executor or administrator of an insolvent debtor's or assignor's estate.

(14) "Defendant" includes a person in the position of defendant in a counterclaim, cross-claim, or third-party claim.

(15) "Delivery", with respect to an instrument, document of title, or chattel paper, means voluntary transfer of possession.

(16) "Document of title" includes bill of lading, dock warrant, dock receipt, warehouse receipt or order for the delivery of goods, and also any other document which in the regular course of business or financing is treated as adequately evidencing that the person in possession of it is entitled to receive, hold, and dispose of the document and the goods it covers. To be a document of title, a document shall purport to be issued by or addressed to a bailee and purport to cover goods in the bailee's possession which are either identified or are fungible portions of an identified mass.

(17) "Fault" means a default, breach, or wrongful act or omission.

(18) "Fungible goods" means:

(A) goods of which any unit, by nature or usage of trade, is the equivalent of any other like unit; or

(B) goods that by agreement are treated as equivalent.

(19) "Genuine" means free of forgery or counterfeiting.

(20) "Good faith", except as otherwise provided in article 5, means honesty in fact and the observance of reasonable commercial standards of fair dealing.

(21) "Holder" means:

(A) the person in possession of a negotiable instrument that is payable either to bearer or to an identified person that is the person in possession; or

(B) the person in possession of a document of title if the goods are deliverable either to bearer or to the order of the person in possession.

(22) "Insolvency proceeding" includes an assignment for the benefit of creditors or other proceeding intended to liquidate or rehabilitate the estate of the person involved.

(23) "Insolvent" means:

(A) having generally ceased to pay debts in the ordinary course of business other than as a result of bona fide dispute;

(B) being unable to pay debts as they become due; or

(C) being insolvent within the meaning of federal bankruptcy law.

(24) "Money" means a medium of exchange currently authorized or adopted by a domestic or foreign government. The term includes a monetary unit of account established by an intergovernmental

organization or by agreement between two or more countries. **The term does not include a central bank digital currency.**

(25) "Organization" means a person other than an individual.

(26) "Party", as distinguished from "third party", means a person that has engaged in a transaction or made an agreement subject to this chapter.

(27) "Person" means an individual, corporation, business trust, estate, trust, partnership, limited liability company, association, joint venture, government, governmental subdivision, agency, or instrumentality, public corporation, or any other legal or commercial entity.

(28) "Present value" means the amount as of a date certain of one or more sums payable in the future, discounted to the date certain by use of either an interest rate specified by the parties if that rate is not manifestly unreasonable at the time the transaction is entered into or, if an interest rate is not so specified, a commercially reasonable rate that takes into account the facts and circumstances at the time the transaction is entered into.

(29) "Purchase" means taking by sale, lease, discount, negotiation, mortgage, pledge, lien, security interest, issue or reissue, gift, or any other voluntary transaction creating an interest in property.

(30) "Purchaser" means a person that takes by purchase.

(31) "Record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form.

(32) "Remedy" means any remedial right to which an aggrieved party is entitled with or without resort to a tribunal.

(33) "Representative" means a person empowered to act for another, including an agent, an officer of a corporation or association, and a trustee, executor, or administrator of an estate.

(34) "Right" includes remedy.

(35) "Security interest" means an interest in personal property or fixtures which secures payment or performance of an obligation. "Security interest" includes any interest of a consignor and a buyer of accounts, chattel paper, a payment intangible, or a promissory note in a transaction that is subject to article 9. "Security interest" does not include the special property interest of a buyer of goods on identification of those goods to a contract for sale under section 400.2-401, but a buyer may also acquire a "security interest" by complying with article 9. Except as otherwise provided in section 400.2-505, the right of a seller or lessor of goods under article 2 or 2A to retain or acquire possession of the goods is not a "security interest", but a seller or lessor may also acquire a "security interest" by complying with article 9. The retention or reservation of title by a seller of goods notwithstanding shipment or delivery to the buyer under section 400.2-401 is limited in effect to a reservation of a "security interest". Whether a transaction in the form of a lease creates a "security interest" is determined pursuant to section 400.1-203.

(36) "Send" in connection with a writing, record, or notice means:

(A) to deposit in the mail or deliver for transmission by any other usual means of communication with postage or cost of transmission provided for and properly addressed and, in the case of an instrument,

to an address specified thereon or otherwise agreed, or if there be none to any address reasonable under the circumstances; or

(B) in any other way to cause to be received any record or notice within the time it would have arrived if properly sent.

(37) "Signed" includes using any symbol executed or adopted with present intention to adopt or accept a writing.

(38) "State" means a State of the United States, the District of Columbia, Puerto Rico, the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction of the United States.

(39) "Surety" includes a guarantor or other secondary obligor.

(40) "Term" means a portion of an agreement that relates to a particular matter.

(41) "Unauthorized signature" means a signature made without actual, implied, or apparent authority. The term includes a forgery.

(42) "Warehouse receipt" means a receipt issued by a person engaged in the business of storing goods for hire.

(43) "Writing" includes printing, typewriting, or any other intentional reduction to tangible form. "Written" has a corresponding meaning.".

Senator Nicola moved that the above amendment be adopted.

At the request of Senator Brattin, **SA 2** was withdrawn, rendering **SA 1** to **SA 2** moot.

Senator Hudson assumed the Chair.

Senator Moon offered **SA 3**:

SENATE AMENDMENT NO. 3

Amend Senate Substitute for Senate Committee Substitute for House Bill No. 754, Page 1, Section A, Line 6, by inserting after all of said line the following:

"143.121. 1. The Missouri adjusted gross income of a resident individual shall be the taxpayer's federal adjusted gross income subject to the modifications in this section.

2. There shall be added to the taxpayer's federal adjusted gross income:

(1) The amount of any federal income tax refund received for a prior year which resulted in a Missouri income tax benefit. The amount added pursuant to this subdivision shall not include any amount of a federal income tax refund attributable to a tax credit reducing a taxpayer's federal tax liability pursuant to Public Law 116-136 or 116-260, enacted by the 116th United States Congress, for the tax year beginning on or after January 1, 2020, and ending on or before December 31, 2020, and deducted from Missouri adjusted gross income pursuant to section 143.171. The amount added under this subdivision shall also not include any amount of a federal income tax refund attributable to a tax credit reducing a taxpayer's federal tax liability under any other federal law that provides direct economic impact payments to taxpayers to mitigate financial challenges related to the COVID-19 pandemic, and deducted from Missouri adjusted gross income under section 143.171;

(2) Interest on certain governmental obligations excluded from federal gross income by 26 U.S.C. Section 103 of the Internal Revenue Code, as amended. The previous sentence shall not apply to interest on obligations of the state of Missouri or any of its political subdivisions or authorities and shall not apply to the interest described in subdivision (1) of subsection 3 of this section. The amount added pursuant to this subdivision shall be reduced by the amounts applicable to such interest that would have been deductible in computing the taxable income of the taxpayer except only for the application of 26 U.S.C. Section 265 of the Internal Revenue Code, as amended. The reduction shall only be made if it is at least five hundred dollars;

(3) The amount of any deduction that is included in the computation of federal taxable income pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code as amended by the Job Creation and Worker Assistance Act of 2002 to the extent the amount deducted relates to property purchased on or after July 1, 2002, but before July 1, 2003, and to the extent the amount deducted exceeds the amount that would have been deductible pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code of 1986 as in effect on January 1, 2002;

(4) The amount of any deduction that is included in the computation of federal taxable income for net operating loss allowed by 26 U.S.C. Section 172 of the Internal Revenue Code of 1986, as amended, other than the deduction allowed by 26 U.S.C. Section 172(b)(1)(G) and 26 U.S.C. Section 172(i) of the Internal Revenue Code of 1986, as amended, for a net operating loss the taxpayer claims in the tax year in which the net operating loss occurred or carries forward for a period of more than twenty years and carries backward for more than two years. Any amount of net operating loss taken against federal taxable income but disallowed for Missouri income tax purposes pursuant to this subdivision after June 18, 2002, may be carried forward and taken against any income on the Missouri income tax return for a period of not more than twenty years from the year of the initial loss; and

(5) For nonresident individuals in all taxable years ending on or after December 31, 2006, the amount of any property taxes paid to another state or a political subdivision of another state for which a deduction was allowed on such nonresident's federal return in the taxable year unless such state, political subdivision of a state, or the District of Columbia allows a subtraction from income for property taxes paid to this state for purposes of calculating income for the income tax for such state, political subdivision of a state, or the District of Columbia;

(6) For all tax years beginning on or after January 1, 2018, any interest expense paid or accrued in a previous taxable year, but allowed as a deduction under 26 U.S.C. Section 163, as amended, in the current taxable year by reason of the carryforward of disallowed business interest provisions of 26 U.S.C. Section 163(j), as amended. For the purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under 26 U.S.C. Section 163, as amended, if the limitation under 26 U.S.C. Section 163(j), as amended, did not exist.

3. There shall be subtracted from the taxpayer's federal adjusted gross income the following amounts to the extent included in federal adjusted gross income:

(1) Interest received on deposits held at a federal reserve bank or interest or dividends on obligations of the United States and its territories and possessions or of any authority, commission or instrumentality of the United States to the extent exempt from Missouri income taxes pursuant to the laws of the United States. The amount subtracted pursuant to this subdivision shall be reduced by any interest on

indebtedness incurred to carry the described obligations or securities and by any expenses incurred in the production of interest or dividend income described in this subdivision. The reduction in the previous sentence shall only apply to the extent that such expenses including amortizable bond premiums are deducted in determining the taxpayer's federal adjusted gross income or included in the taxpayer's Missouri itemized deduction. The reduction shall only be made if the expenses total at least five hundred dollars;

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis to the taxpayer for Missouri income tax purposes than for federal income tax purposes on December 31, 1972, that does not exceed such difference in basis. If a gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to one-half of such portion of the gain;

(3) The amount necessary to prevent the taxation pursuant to this chapter of any annuity or other amount of income or gain which was properly included in income or gain and was taxed pursuant to the laws of Missouri for a taxable year prior to January 1, 1973, to the taxpayer, or to a decedent by reason of whose death the taxpayer acquired the right to receive the income or gain, or to a trust or estate from which the taxpayer received the income or gain;

(4) Accumulation distributions received by a taxpayer as a beneficiary of a trust to the extent that the same are included in federal adjusted gross income;

(5) The amount of any state income tax refund for a prior year which was included in the federal adjusted gross income;

(6) The portion of capital gain specified in section 135.357 that would otherwise be included in federal adjusted gross income;

(7) The amount that would have been deducted in the computation of federal taxable income pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code as in effect on January 1, 2002, to the extent that amount relates to property purchased on or after July 1, 2002, but before July 1, 2003, and to the extent that amount exceeds the amount actually deducted pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code as amended by the Job Creation and Worker Assistance Act of 2002;

(8) For all tax years beginning on or after January 1, 2005, the amount of any income received for military service while the taxpayer serves in a combat zone which is included in federal adjusted gross income and not otherwise excluded therefrom. As used in this section, "combat zone" means any area which the President of the United States by Executive Order designates as an area in which Armed Forces of the United States are or have engaged in combat. Service is performed in a combat zone only if performed on or after the date designated by the President by Executive Order as the date of the commencing of combat activities in such zone, and on or before the date designated by the President by Executive Order as the date of the termination of combatant activities in such zone;

(9) For all tax years ending on or after July 1, 2002, with respect to qualified property that is sold or otherwise disposed of during a taxable year by a taxpayer and for which an additional modification was made under subdivision (3) of subsection 2 of this section, the amount by which additional modification made under subdivision (3) of subsection 2 of this section on qualified property has not been recovered through the additional subtractions provided in subdivision (7) of this subsection;

(10) For all tax years beginning on or after January 1, 2014, the amount of any income received as payment from any program which provides compensation to agricultural producers who have suffered a loss as the result of a disaster or emergency, including the:

(a) Livestock Forage Disaster Program;

(b) Livestock Indemnity Program;

(c) Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish;

(d) Emergency Conservation Program;

(e) Noninsured Crop Disaster Assistance Program;

(f) Pasture, Rangeland, Forage Pilot Insurance Program;

(g) Annual Forage Pilot Program;

(h) Livestock Risk Protection Insurance Plan;

(i) Livestock Gross Margin Insurance Plan;

(11) For all tax years beginning on or after January 1, 2018, any interest expense paid or accrued in the current taxable year, but not deducted as a result of the limitation imposed under 26 U.S.C. Section 163(j), as amended. For the purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under 26 U.S.C. Section 163, as amended, if the limitation under 26 U.S.C. Section 163(j), as amended, did not exist;

(12) One hundred percent of any retirement benefits received by any taxpayer as a result of the taxpayer's service in the Armed Forces of the United States, including reserve components and the National Guard of this state, as defined in 32 U.S.C. Sections 101(3) and 109, and any other military force organized under the laws of this state; **[**and**]**

(13) For all tax years beginning on or after January 1, 2022, one hundred percent of any federal, state, or local grant moneys received by the taxpayer if the grant money was disbursed for the express purpose of providing or expanding access to broadband internet to areas of the state deemed to be lacking such access**; and**

(14) For all tax years beginning on or after January 1, 2026, the portion of capital gain on the sale or exchange of specie, as that term is defined in section 408.010, that are otherwise included in the taxpayer's federal adjusted gross income.

4. There shall be added to or subtracted from the taxpayer's federal adjusted gross income the taxpayer's share of the Missouri fiduciary adjustment provided in section 143.351.

5. There shall be added to or subtracted from the taxpayer's federal adjusted gross income the modifications provided in section 143.411.

6. In addition to the modifications to a taxpayer's federal adjusted gross income in this section, to calculate Missouri adjusted gross income there shall be subtracted from the taxpayer's federal adjusted gross income any gain recognized pursuant to 26 U.S.C. Section 1033 of the Internal Revenue Code of

1986, as amended, arising from compulsory or involuntary conversion of property as a result of condemnation or the imminence thereof.

7. (1) As used in this subsection, "qualified health insurance premium" means the amount paid during the tax year by such taxpayer for any insurance policy primarily providing health care coverage for the taxpayer, the taxpayer's spouse, or the taxpayer's dependents.

(2) In addition to the subtractions in subsection 3 of this section, one hundred percent of the amount of qualified health insurance premiums shall be subtracted from the taxpayer's federal adjusted gross income to the extent the amount paid for such premiums is included in federal taxable income. The taxpayer shall provide the department of revenue with proof of the amount of qualified health insurance premiums paid.

8. (1) Beginning January 1, 2014, in addition to the subtractions provided in this section, one hundred percent of the cost incurred by a taxpayer for a home energy audit conducted by an entity certified by the department of natural resources under section 640.153 or the implementation of any energy efficiency recommendations made in such an audit shall be subtracted from the taxpayer's federal adjusted gross income to the extent the amount paid for any such activity is included in federal taxable income. The taxpayer shall provide the department of revenue with a summary of any recommendations made in a qualified home energy audit, the name and certification number of the qualified home energy auditor who conducted the audit, and proof of the amount paid for any activities under this subsection for which a deduction is claimed. The taxpayer shall also provide a copy of the summary of any recommendations made in a qualified home energy audit to the department of natural resources.

(2) At no time shall a deduction claimed under this subsection by an individual taxpayer or taxpayers filing combined returns exceed one thousand dollars per year for individual taxpayers or cumulatively exceed two thousand dollars per year for taxpayers filing combined returns.

(3) Any deduction claimed under this subsection shall be claimed for the tax year in which the qualified home energy audit was conducted or in which the implementation of the energy efficiency recommendations occurred. If implementation of the energy efficiency recommendations occurred during more than one year, the deduction may be claimed in more than one year, subject to the limitations provided under subdivision (2) of this subsection.

(4) A deduction shall not be claimed for any otherwise eligible activity under this subsection if such activity qualified for and received any rebate or other incentive through a state-sponsored energy program or through an electric corporation, gas corporation, electric cooperative, or municipally owned utility.

9. The provisions of subsection 8 of this section shall expire on December 31, 2020.

10. (1) As used in this subsection, the following terms mean:

(a) "Beginning farmer", a taxpayer who:

a. Has filed at least one but not more than ten Internal Revenue Service Schedule F (Form 1040) Profit or Loss From Farming forms since turning eighteen years of age;

b. Is approved for a beginning farmer loan through the USDA Farm Service Agency Beginning Farmer direct or guaranteed loan program;

c. Has a farming operation that is determined by the department of agriculture to be new production agriculture but is the principal operator of a farm and has substantial farming knowledge; or

d. Has been determined by the department of agriculture to be a qualified family member;

(b) "Farm owner", an individual who owns farmland and disposes of or relinquishes use of all or some portion of such farmland as follows:

a. A sale to a beginning farmer;

b. A lease or rental agreement not exceeding ten years with a beginning farmer; or

c. A crop-share arrangement not exceeding ten years with a beginning farmer;

(c) "Qualified family member", an individual who is related to a farm owner within the fourth degree by blood, marriage, or adoption and who is purchasing or leasing or is in a crop-share arrangement for land from all or a portion of such farm owner's farming operation.

(2) (a) In addition to all other subtractions authorized in this section, a taxpayer who is a farm owner who sells all or a portion of such farmland to a beginning farmer may subtract from such taxpayer's Missouri adjusted gross income an amount to the extent included in federal adjusted gross income as provided in this subdivision.

(b) Subject to the limitations in paragraph (c) of this subdivision, the amount that may be subtracted shall be equal to the portion of capital gains received from the sale of such farmland that such taxpayer receives in the tax year for which such taxpayer subtracts such capital gain.

(c) A taxpayer may subtract the following amounts and percentages per tax year in total capital gains received from the sale of such farmland under this subdivision:

a. For the first two million dollars received, one hundred percent;

b. For the next one million dollars received, eighty percent;

c. For the next one million dollars received, sixty percent;

d. For the next one million dollars received, forty percent; and

e. For the next one million dollars received, twenty percent.

(d) The department of revenue shall prepare an annual report reviewing the costs and benefits and containing statistical information regarding the subtraction of capital gains authorized under this subdivision for the previous tax year including, but not limited to, the total amount of all capital gains subtracted and the number of taxpayers subtracting such capital gains. Such report shall be submitted before February first of each year to the committee on agriculture policy of the Missouri house of representatives and the committee on agriculture, food production and outdoor resources of the Missouri senate, or the successor committees.

(3) (a) In addition to all other subtractions authorized in this section, a taxpayer who is a farm owner who enters a lease or rental agreement for all or a portion of such farmland with a beginning farmer may

subtract from such taxpayer's Missouri adjusted gross income an amount to the extent included in federal adjusted gross income as provided in this subdivision.

(b) Subject to the limitation in paragraph (c) of this subdivision, the amount that may be subtracted shall be equal to the portion of cash rent income received from the lease or rental of such farmland that such taxpayer receives in the tax year for which such taxpayer subtracts such income.

(c) No taxpayer shall subtract more than twenty-five thousand dollars per tax year in total cash rent income received from the lease or rental of such farmland under this subdivision.

(4) (a) In addition to all other subtractions authorized in this section, a taxpayer who is a farm owner who enters a crop-share arrangement on all or a portion of such farmland with a beginning farmer may subtract from such taxpayer's Missouri adjusted gross income an amount to the extent included in federal adjusted gross income as provided in this subdivision.

(b) Subject to the limitation in paragraph (c) of this subdivision, the amount that may be subtracted shall be equal to the portion of income received from the crop-share arrangement on such farmland that such taxpayer receives in the tax year for which such taxpayer subtracts such income.

(c) No taxpayer shall subtract more than twenty-five thousand dollars per tax year in total income received from the lease or rental of such farmland under this subdivision.

(5) The department of agriculture shall, by rule, establish a process to verify that a taxpayer is a beginning farmer for purposes of this section and shall provide verification to the beginning farmer and farm seller of such farmer's and seller's certification and qualification for the exemption provided in this subsection.”; and

Further amend said bill, page 20, section 381.410, line 54, by inserting after all of said line the following:

“408.010. **[**The silver coins of the United States are hereby declared a**] 1. This section shall be known and may be cited as the “Constitutional Money Act”.**

2. Electronic specie currency shall be accepted as legal tender**[**, at their par value, fixed by the laws of the United States, and shall be receivable in**] for** payment of all **public** debts**[**, public or private,**]** hereafter contracted in the state of Missouri **and specie legal tender and electronic specie currency may be accepted as payment for all private debts hereafter contracted in the state of Missouri, in the discretion of the receiving entity**; provided, however, that no person shall have the right to pay, upon any one debt, dimes and half dimes to an amount exceeding ten dollars, or of twenty and twenty-five cent pieces exceeding twenty dollars**. Upon receiving a request for payment to a public entity using electronic specie, the custody agent, or other entity responsible for transmitting the payment to the public entity shall transmit the funds in United States dollars.**

3. The director of the department of revenue shall promulgate rules on the methods of acceptance of electronic specie currency as payment for any debt, tax, fee, or obligation owed. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this subsection shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This subsection and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to

review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2025, shall be invalid and void.

4. Except as expressly provided by contract, no person or entity shall be required to use specie legal tender or electronic specie currency in the payment of any debt and nothing in this section shall prohibit the use of federal reserve notes in the payment of any debt.

5. Any entity doing business in this state may, if requested by an employee, pay compensation to such employee, in full or in part, in the dollar equivalent specie legal tender either in physical or in electronic transfer form. Any entity choosing to compensate its employees in specie legal tender shall be responsible for verifying the weight and purity of any physical specie legal tender before compensating employees.

6. Under no circumstance shall the state of Missouri or any department, agency, political subdivision, or instrumentality thereof:

(1) Seize from any person any specie legal tender or electronic specie currency that is owned by such person, except as otherwise provided in section 513.607. Any person whose specie legal tender or electronic specie currency is seized in violation of this subdivision shall have a cause of action in a court of competent jurisdiction, with any successful such action resulting in the award of attorney's fees;

(2) Enforce or attempt to enforce any federal acts, laws, executive orders, administrative orders, rules, regulations, statutes, or ordinances infringing on the right of a person to keep and use specie legal tender and electronic specie currency as provided in this section;

(3) Restrict in any way the ability of a person or financial institution to acquire specie legal tender or electronic specie currency or use specie legal tender or electronic specie currency in transactions; or

(4) Enact any law discriminating or favoring one means of legal tender in the course of a transaction over another means of legal tender.

7. For purposes of this section, the following terms mean:

(1) "Bullion", refined precious metal, limited to gold and silver only, in any shape or form, with uniform content and purity, including, but not limited to, coins, rounds, bars, ingots, and any other products, that are:

(a) Stamped or imprinted with the weight and purity of the precious metal that it contains; and

(b) Valued primarily based on its metal content and not on its form and function;

(2) "Electronic specie currency", a representation of actual gold and silver, specie, and bullion held in an account, which may be transferred by electronic instruction. Such representation shall reflect the exact unit of physical specie or gold and silver bullion in the account in its fractional troy ounce measurement as provided in this section;

(3) "Legal tender", a recognized medium of exchange for the payment of debts, public charges, taxes, or dues that is:

(a) Authorized by the United States Congress pursuant to Article I, Section 8 of the United States Constitution; or

(b) Authorized by Missouri law pursuant to Article I, Section 10 of the United States Constitution;

(4) "Precious metal", gold or silver;

(5) "Specie", bullion fabricated into products of uniform shape, size, design, content, weight, and purity that are suitable for or customarily used as currency, as a medium of exchange, or as the medium for purchase, sale, storage, transfer, or delivery of precious metals in retail or wholesale transactions;

(6) "Specie legal tender", includes any of the following:

(a) Specie coin issued by the federal government at any time; and

(b) Any other specie, provided such specie does not contain any insignia, symbols, or other recognizable logos of the Nazi Party."; and

Further amend the title and enacting clause accordingly.

Senator Moon moved that the above amendment be adopted, which motion prevailed.

Senator Trent offered **SA 4**:

SENATE AMENDMENT NO. 4

Amend Senate Substitute for Senate Committee Substitute for House Bill No. 754, Page 4, Section 361.909, Line 110, by inserting after all of said line the following:

"**361.1100. 1. This section shall be known and may be cited as the "Virtual Currency Kiosk Consumer Protection Act".**

2. For purposes of this section, the following terms and phrases mean:

(1) "Bank Secrecy Act", the federal Bank Secrecy Act, 31 U.S.C. Section 5311, et seq., and its implementing rules and regulations, as amended and recodified from time to time;

(2) "Blockchain", a distributed digital ledger or database that is chronological, consensus-based, decentralized, and mathematically verified in nature;

(3) "Blockchain analytics", a software service that uses data from various virtual currencies and their applicable blockchains to provide a risk rating specific to digital wallet addresses from users of virtual currency kiosks;

(4) "Digital wallet", hardware or software that enables individuals to store and use virtual currency;

(5) "Digital wallet address", an alphanumeric identifier representing a destination on a blockchain for a virtual currency transfer that is associated with a digital wallet;

(6) "Director", the director of the division;

(7) "Division", the division of finance within the department of commerce and insurance;

(8) "Federal Deposit Insurance Corporation or Securities Investor Protection Corporation", a bank, credit union, savings and loan association, trust company, savings association, savings bank, industrial bank, or industrial loan company organized under the laws of the United States or any state of the United States, if the bank, credit union, savings and loan association, trust company, savings association, savings bank, industrial bank, or industrial loan company has federally insured deposits;

(9) "Fiat currency", a medium of exchange that is authorized or adopted by the United States government as part of its currency and is not backed by a commodity;

(10) "Individual", a natural person;

(11) "NMLS", the Nationwide Multistate Licensing System and Registry developed by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators and owned and operated by the State Regulatory Registry, LLC, or any successor or affiliated entity, for the licensing and registration of persons in financial services industries;

(12) "United States PATRIOT Act", the federal Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 and its implementing rules and regulations, as amended and recodified from time to time;

(13) "Virtual currency",

(a) Any type of digital unit that is used as a medium of exchange or a form of digitally stored value or that is incorporated into payment system technology. Virtual currency shall be construed to include digital units of exchange that:

a. Have a centralized repository or administrator;

b. Are decentralized and have no centralized repository or administrator; or

c. May be created or obtained by computing or manufacturing effort;

(b) Virtual currency shall not be construed to include digital units that are used:

a. Solely within online gaming platforms with no market or application outside such gaming platforms; or

b. Exclusively as part of a consumer affinity or rewards program, and can be applied solely as payment for purchases with the issuer or other designated merchants, but cannot be converted into or redeemed for fiat currency;

(14) "Virtual currency kiosk", an electronic terminal of the virtual currency kiosk operator that enables the owner or operator to facilitate the exchange of fiat currency for virtual currency or virtual currency for fiat currency or other virtual currency, including, but not limited to:

(a) Connecting directly to a separate virtual currency exchange that performs the actual virtual currency transmission; or

(b) Drawing upon the virtual currency in the possession of the owner or operator of the electronic terminal;

(15) "Virtual currency kiosk operator", a corporation, limited liability company, limited liability partnership, or foreign entity qualified to do business in this state that operates a virtual currency kiosk within this state.

3. (1) Except as otherwise provided in this section, all information or reports obtained by the division from a virtual currency kiosk operator, and all information contained in or related to an examination, investigation, operating report, or condition report prepared by, on behalf of, or for the use of the division in relation to a virtual currency kiosk operator, are confidential and are not subject to disclosure under chapter 610.

(2) Information contained in the records of the division that is not confidential and may be available to the public either on the division's website, upon receipt by the division of a written request, or in NMLS shall include:

(a) The name, business address, telephone number, and unique identifier of a virtual currency kiosk operator;

(b) The business address of a virtual currency kiosk operator's registered agent for service; and

(c) Copies of any final orders of the division relating to any violation of this section or regulations implementing this section.

4. If any provision of this section is inconsistent with any federal law, including but not limited to the Bank Secrecy Act or the United States PATRIOT Act, the applicable federal law shall govern to the extent of any inconsistency.

5. (1) The director may request evidence of compliance with this section or a rule adopted or order issued pursuant to this section as reasonably necessary or appropriate to administer and enforce this section, and other applicable law, including the Bank Secrecy Act and the United States PATRIOT Act.

(2) A virtual currency kiosk operator shall provide the director all records the director may reasonably require to ensure compliance with this section.

6. As part of establishing a relationship with a customer, and prior to entering into an initial transaction for, on behalf of, or with such customer, each virtual currency kiosk operator shall disclose in clear, conspicuous, and legible writing in the English language, whether in accessible terms of service or elsewhere, all material risks associated with its products, services, and activities and virtual currency generally, including disclosures substantially similar to the following:

(1) Virtual currency is not legal tender, is not backed by the government, and accounts and value balances are not subject to Federal Deposit Insurance Corporation or Securities Investor Protection Corporation protections;

(2) Legislative and regulatory changes or actions at the state, federal, or international level may adversely affect the use, transfer, exchange, and value of virtual currency;

(3) Transactions in virtual currency may be irreversible, and, accordingly, losses due to fraudulent or accidental transactions may not be recoverable;

(4) Some virtual currency transactions shall be deemed to be made when recorded on a public ledger, which is not necessarily the date or time that the customer initiates the transaction;

(5) The value of virtual currency may be derived from the continued willingness of market participants to exchange fiat currency for virtual currency, which may result in the potential for permanent and total loss of value of a particular virtual currency should the market for that virtual currency disappear;

(6) There is no assurance that a person who accepts a virtual currency as payment today will continue to do so in the future;

(7) The volatility and unpredictability of the price of virtual currency relative to fiat currency may result in significant loss over a short period of time;

(8) The nature of virtual currency may lead to an increased risk of fraud or cyber attack;

(9) The nature of virtual currency means that any technological difficulties experienced by the virtual currency kiosk operator may prevent the access or use of a customer's virtual currency; and

(10) Any bond or trust account maintained by the virtual currency kiosk operator for the benefit of its customers may not be sufficient to cover all losses incurred by customers.

7. When opening an account for a new customer, and prior to entering into an initial transaction for, on behalf of, or with such customer, each virtual currency kiosk operator shall disclose in clear, conspicuous, and legible writing in the English language, whether in accessible terms of service or elsewhere, all relevant terms and conditions associated with its products, services, and activities and virtual currency generally, including disclosures substantially similar to the following:

(1) The customer's liability for unauthorized virtual currency transactions;

(2) Under what circumstances the virtual currency kiosk operator will, absent a court or government order, disclose information concerning the customer's account to third parties;

(3) The customer's right to receive periodic account statements and valuations from the virtual currency kiosk operator;

(4) The customer's right to receive a receipt, trade ticket, or other evidence of a transaction;

(5) The customer's right to prior notice of a change in the virtual currency kiosk operator's rules or policies; and

(6) Such other disclosures as are customarily given in connection with the opening of customer accounts.

8. Prior to entering into a virtual currency transaction with a customer, each virtual currency kiosk operator shall ensure a warning is disclosed to a customer substantially similar to the following:

> **Customer Notice. Please Read Carefully.**
>
> **Did you receive a phone call from your bank, software provider, the police, or were you directed to make a payment for Social Security, utility bill, investment, warrants, or bail money at this kiosk? STOP**
>
> **Is anyone on the phone pressuring you to make a payment of any kind? STOP**
>
> **I understand that the purchase and sale of cryptocurrency is a final irreversible and non-refundable transaction.**
>
> **I confirm I am sending funds to a wallet I own or directly have control over. I confirm that I am using funds gained from my own initiative to make my transaction.**

9. Upon completion of any virtual currency kiosk transaction, each virtual currency kiosk operator shall provide to a customer a digital or physical receipt containing the following information:

(1) The name and contact information of the virtual currency kiosk operator, including a telephone number established by the virtual currency kiosk operator to answer questions and register complaints;

(2) The type, value, date, and precise time of the transaction in the local time zone;

(3) The fee charged;

(4) The exchange rate, if applicable;

(5) A statement of the liability of the virtual currency kiosk operator for non-delivery or delayed delivery; and

(6) A statement of the refund policy of the virtual currency kiosk operator.

10. All virtual currency kiosk operators shall use blockchain analytics software to assist in the prevention of sending purchased virtual currency from a virtual currency kiosk operator to a digital wallet known to be affiliated with fraudulent activity at the time of a transaction. The division may request evidence from any virtual currency kiosk operator of current use of blockchain analytics.

11. All virtual currency kiosk operators performing business in this state shall provide live customer service at a minimum on Monday through Friday between the hours of 8:00 a.m. and 10:00 p.m. The customer service toll-free number shall be displayed on the virtual currency kiosk or the virtual currency kiosk screens.

12. All virtual currency kiosk operators shall take reasonable steps to detect and prevent fraud, including establishing and maintaining a written anti-fraud policy. The anti-fraud policy shall, at a minimum, include:

(1) The identification and assessment of fraud-related risk areas;

(2) Procedures and controls to protect against identified risks;

(3) Allocation of responsibility for monitoring risks; and

(4) Procedures for the periodic evaluation and revision of the anti-fraud procedures, controls, and monitoring mechanisms.

13. (1) Each virtual currency kiosk operator shall maintain, implement, and enforce a written "Enhanced Due Diligence Policy". Such a policy shall be reviewed and approved by the virtual currency kiosk operator's board of directors or an equivalent governing body of the virtual currency kiosk operator.

(2) The "Enhanced Due Diligence Policy" shall identify, at minimum, individuals who are at risk of fraud based on age or mental capacity.

14. (1) Each virtual currency kiosk operator shall comply with the provisions of this section, any lawful order, rule, or regulation made or issued under the provisions of this section, and all applicable federal and state laws, rules, and regulations.

(2) Each virtual currency kiosk shall maintain, implement, and enforce written compliance policies and procedures. Such policies and procedures shall be reviewed and approved by the virtual currency kiosk operator's board of directors or an equivalent governing body of the virtual currency kiosk operator.

15. (1) Each virtual currency kiosk operator shall designate and employ a compliance officer with the following requirements:

(a) The individual shall be qualified to coordinate and monitor compliance with this section and all other applicable federal and state laws, rules, and regulations;

(b) The individual shall be employed full-time by the virtual currency kiosk operator; and

(c) The designated compliance officer cannot be any individual who owns more than twenty percent of the virtual currency kiosk operator by whom the individual is employed.

(2) Compliance responsibilities required under federal and state laws, rules, and regulations shall be completed by full-time employees of the virtual currency kiosk operator.

16. Each virtual currency kiosk operator shall designate and employ a consumer protection officer with each of the following requirements:

(1) The individual shall be qualified to coordinate and monitor compliance with this section and all other applicable federal and state laws, rules, and regulations;

(2) The individual shall be employed full-time by the virtual currency kiosk operators; and

(3) The designated consumer protection officer cannot be an individual who owns more than twenty percent of the virtual currency kiosk operator by whom the individual is employed.

17. (1) Each virtual currency kiosk operator shall submit a report to the division of the location of each virtual currency kiosk located within this state within forty-five days of the end of the calendar quarter. The director shall formulate a system for virtual currency kiosk operators to submit such locations that is consistent with the requirements of this section.

(2) The location report shall include, at a minimum, the following information regarding the location where a virtual currency kiosk is located:

(a) Company legal name;

(b) Any fictitious or trade name;

(c) Physical address;

(d) Start date of operation of virtual currency kiosk at location; and

(e) End date of operation of virtual currency kiosk at location, if applicable.

18. (1) Any virtual currency kiosk operator who owns, operates, solicits, markets, advertises, or facilitates virtual currency kiosks in this state shall be deemed to be engaged in money transmission and require licensure pursuant to sections 361.900 to 361.1035.

(2) All unlicensed virtual currency kiosk operators shall apply for a money transmitter license within sixty days after this section goes into effect. Virtual currency kiosk operators who apply within this time will be allowed to continue operations while the division reviews the application. Any virtual currency kiosk operators whose application is denied by the division shall cease operations until granted a money transmitter license.

19. The division of finance may promulgate rules for the purpose of implementing the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2025, shall be invalid and void."; and

Further amend the title and enacting clause accordingly.

Senator Trent moved that the above amendment be adopted, which motion prevailed.

Senator McCreery offered **SA 5**:

SENATE AMENDMENT NO. 5

Amend Senate Substitute for Senate Committee Substitute for House Bill No. 754, Page 1, Section A, Line 6, by inserting after all of said line the following:

"32.115. 1. The department of revenue shall grant a tax credit, to be applied in the following order until used, against:

(1) The annual tax on gross premium receipts of insurance companies in chapter 148;

(2) The tax on banks determined pursuant to subdivision (2) of subsection 2 of section 148.030;

(3) The tax on banks determined in subdivision (1) of subsection 2 of section 148.030;

(4) The tax on other financial institutions in chapter 148;

(5) The corporation franchise tax in chapter 147;

(6) The state income tax in chapter 143; and

(7) The annual tax on gross receipts of express companies in chapter 153.

2. For proposals approved pursuant to section 32.110:

(1) The amount of the tax credit shall not exceed fifty percent of the total amount contributed during the taxable year by the business firm or, in the case of a financial institution, where applicable, during the relevant income period in programs approved pursuant to section 32.110;

(2) Except as provided in subsection 2 or 5 of this section, a tax credit of up to seventy percent may be allowed for contributions to programs where activities fall within the scope of special program priorities as defined with the approval of the governor in regulations promulgated by the director of the department of economic development;

(3) Except as provided in subsection 2 or 5 of this section, the tax credit allowed for contributions to programs located in any community shall be equal to seventy percent of the total amount contributed where such community is a city, town or village which has fifteen thousand or less inhabitants as of the last decennial census and is located in a county which is either located in:

(a) An area that is not part of a standard metropolitan statistical area;

(b) A standard metropolitan statistical area but such county has only one city, town or village which has more than fifteen thousand inhabitants; or

(c) A standard metropolitan statistical area and a substantial number of persons in such county derive their income from agriculture.

Such community may also be in an unincorporated area in such county as provided in subdivision (1), (2) or (3) of this subsection. Except in no case shall the total economic benefit of the combined federal and state tax savings to the taxpayer exceed the amount contributed by the taxpayer during the tax year;

(4) Such tax credit allocation, equal to seventy percent of the total amount contributed, shall not exceed four million dollars in fiscal year 1999 and six million dollars in fiscal year 2000 and any

subsequent fiscal year. When the maximum dollar limit on the seventy percent tax credit allocation is committed, the tax credit allocation for such programs shall then be equal to fifty percent credit of the total amount contributed. Regulations establishing special program priorities are to be promulgated during the first month of each fiscal year and at such times during the year as the public interest dictates. Such credit shall not exceed two hundred and fifty thousand dollars annually except as provided in subdivision (5) of this subsection. No tax credit shall be approved for any bank, bank and trust company, insurance company, trust company, national bank, savings association, or building and loan association for activities that are a part of its normal course of business. Any tax credit not used in the period the contribution was made may be carried over the next five succeeding calendar or fiscal years until the full credit has been claimed. Except as otherwise provided for proposals approved pursuant to section 32.111, 32.112 or 32.117, in no event shall the total amount of all other tax credits allowed pursuant to sections 32.100 to 32.125 exceed thirty-two million dollars in any one fiscal year, of which six million shall be credits allowed pursuant to section 135.460. If six million dollars in credits are not approved, then the remaining credits may be used for programs approved pursuant to sections 32.100 to 32.125;

(5) The credit may exceed two hundred fifty thousand dollars annually and shall not be limited if community services, crime prevention, education, job training, physical revitalization or economic development, as defined by section 32.105, is rendered in an area defined by federal or state law as an impoverished, economically distressed, or blighted area or as a neighborhood experiencing problems endangering its existence as a viable and stable neighborhood, or if the community services, crime prevention, education, job training, physical revitalization or economic development is limited to impoverished persons.

3. For proposals approved pursuant to section 32.111:

(1) The amount of the tax credit shall not exceed fifty-five percent of the total amount invested in affordable housing assistance activities or market rate housing in distressed communities as defined in section 135.530 by a business firm. Whenever such investment is made in the form of an equity investment or a loan, as opposed to a donation alone, tax credits may be claimed only where the loan or equity investment is accompanied by a donation which is eligible for federal income tax charitable deduction, and where the total value of the tax credits herein plus the value of the federal income tax charitable deduction is less than or equal to the value of the donation. Any tax credit not used in the period for which the credit was approved may be carried over the next ten succeeding calendar or fiscal years until the full credit has been allowed. If the affordable housing units or market rate housing units in distressed communities for which a tax is claimed are within a larger structure, parts of which are not the subject of a tax credit claim, then expenditures applicable to the entire structure shall be reduced on a prorated basis in proportion to the ratio of the number of square feet devoted to the affordable housing units or market rate housing units in distressed communities, for purposes of determining the amount of the tax credit. The total amount of tax credit granted for programs approved pursuant to section 32.111 for the fiscal year beginning July 1, 1991, shall not exceed two million dollars, to be increased by no more than two million dollars each succeeding fiscal year, until the total tax credits that may be approved reaches ten million dollars in any fiscal year;

(2) For any year during the compliance period indicated in the land use restriction agreement, the owner of the affordable housing rental units for which a credit is being claimed shall certify to the commission that all tenants renting claimed units are income eligible for affordable housing units and that

the rentals for each claimed unit are in compliance with the provisions of sections 32.100 to 32.125. The commission is authorized, in its discretion, to audit the records and accounts of the owner to verify such certification;

(3) In the case of owner-occupied affordable housing units, the qualifying owner occupant shall, before the end of the first year in which credits are claimed, certify to the commission that the occupant is income eligible during the preceding two years, and at the time of the initial purchase contract, but not thereafter. The qualifying owner occupant shall further certify to the commission, before the end of the first year in which credits are claimed, that during the compliance period indicated in the land use restriction agreement, the cost of the affordable housing unit to the occupant for the claimed unit can reasonably be projected to be in compliance with the provisions of sections 32.100 to 32.125. Any succeeding owner occupant acquiring the affordable housing unit during the compliance period indicated in the land use restriction agreement shall make the same certification;

(4) If at any time during the compliance period the commission determines a project for which a proposal has been approved is not in compliance with the applicable provisions of sections 32.100 to 32.125 or rules promulgated therefor, the commission may within one hundred fifty days of notice to the owner either seek injunctive enforcement action against the owner, or seek legal damages against the owner representing the value of the tax credits, or foreclose on the lien in the land use restriction agreement, selling the project at a public sale, and paying to the owner the proceeds of the sale, less the costs of the sale and less the value of all tax credits allowed herein. The commission shall remit to the director of revenue the portion of the legal damages collected or the sale proceeds representing the value of the tax credits. However, except in the event of intentional fraud by the taxpayer, the proposal's certificate of eligibility for tax credits shall not be revoked.

4. For proposals approved pursuant to section 32.112, the amount of the tax credit shall not exceed fifty-five percent of the total amount contributed to a neighborhood organization by business firms. Any tax credit not used in the period for which the credit was approved may be carried over the next ten succeeding calendar or fiscal years until the full credit has been allowed. The total amount of tax credit granted for programs approved pursuant to section 32.112 shall not exceed one million dollars for each fiscal year. **For any fiscal year in which the total amount of tax credits authorized for programs approved pursuant to section 32.111 is less than ten million dollars, such amount not authorized may be authorized for programs approved pursuant to section 32.112 during the same fiscal year, provided that the total combined amount of tax credits for programs approved pursuant to sections 32.111 and 32.112 during the fiscal year does not exceed eleven million dollars.**

5. The total amount of tax credits used for market rate housing in distressed communities pursuant to sections 32.100 to 32.125 shall not exceed thirty percent of the total amount of all tax credits authorized pursuant to sections 32.111 and 32.112.”; and

Further amend the title and enacting clause accordingly.

Senator McCreery moved that the above amendment be adopted, which motion prevailed.

Senator Crawford moved that **SS** for **SCS** for **HB 754**, as amended, be adopted, which motion prevailed.

Senator Crawford moved that **SS** for **SCS** for **HB 754**, as amended, be read the 3rd time and passed, and was recognized to close.

President Pro Tem O'Laughlin referred **SS** for **SCS** for **HB 754**, as amended, to the Committee on Fiscal Oversight.

President Pro Tem O'Laughlin referred **HB 618**, **HB 269**, **HB 262**, **HCS** for **HBs 177** and **469**, **HCS** for **HBs 799**, **334**, **424**, and **1069**, with **SCS**, **HB 121**, with **SCS**, **HB 1086**, with **SCS**, **HCS** for **HB 1346**, with **SCS**, and **HB 147**, with **SCS**, to the Committee on Fiscal Oversight.

HOUSE BILLS ON THIRD READING

HCS for **HBs 974**, **57**, **1032**, and **1141**, entitled:

An Act to amend chapter 379, RSMo, by adding thereto fifteen new sections relating to insurance for certain uses of motor vehicles, with a delayed effective date.

Was taken up by Senator Crawford.

Senator Crawford offered **SS** for **HCS** for **HBs 974**, **57**, **1032**, and **1141**, entitled:

SENATE SUBSTITUTE FOR
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILLS NOS. 974, 57, 1032, and 1141

An Act to amend chapters 375 and 379, RSMo, by adding thereto twenty-seven new sections relating to insurance modernization through standards governing digital systems, with a delayed effective date for certain sections.

Senator Crawford moved that **SS** for **HCS** for **HBs 974**, **57**, **1032**, and **1141** be adopted, which motion prevailed.

On motion of Senator Crawford, **SS** for **HCS** for **HBs 974**, **57**, **1032**, and **1141** was read the 3rd time and passed by the following vote:

YEAS—Senators

Bean	Beck	Black	Brattin	Brown (26)	Burger	Carter
Cierpiot	Coleman	Crawford	Gregory (15)	Gregory (21)	Henderson	Hudson
Lewis	Luetkemeyer	May	McCreery	Mosley	Nicola	O'Laughlin
Roberts	Schnelting	Schroer	Trent	Washington	Webber	Williams—28

NAYS—Senator Moon—1

Absent—Senators

Bernskoetter	Nurrenbern—2

Absent with leave—Senators

Brown (16)	Fitzwater	Hough—3

Vacancies—None

The President declared the bill passed.

On motion of Senator Crawford, title to the bill was agreed to.

Senator Crawford moved that the vote by which the bill passed be reconsidered.

Senator Luetkemeyer moved that motion lay on the table, which motion prevailed.

MESSAGES FROM THE HOUSE

The following messages were received from the House of Representatives through its Chief Clerk:

Madam President: The Speaker of the House of Representatives has appointed the following committee to act with a like committee from the Senate on **SS** for **HCS** for **HBs 595** and **343**, as amended. Representatives: Brown (16), Keathley, Baker, Proudie, Terry.

Also,

Madam President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and passed **HCS** for **SS** for **SB 67**, entitled:

An Act to repeal sections 32.115, 143.121, and 143.511, RSMo, and to enact in lieu thereof four new sections relating to income tax.

With House Amendment No. 1, House Amendment No. 2 and House Amendment No. 3.

HOUSE AMENDMENT NO. 1

Amend House Committee Substitute for Senate Substitute for Senate Bill No. 67, Page 4, Section 32.115, Line 121, by inserting after all of said section and line the following:

"135.010. As used in sections 135.010 to 135.030 the following words and terms mean:

(1) "Claimant", a person or persons claiming a credit under sections 135.010 to 135.030. If the persons are eligible to file a joint federal income tax return and reside at the same address at any time during the taxable year, then the credit may only be allowed if claimed on a combined Missouri income tax return or a combined claim return reporting their combined incomes and property taxes. A claimant shall not be allowed a property tax credit unless the claimant or spouse has attained the age of sixty-five on or before the last day of the calendar year and the claimant or spouse was a resident of Missouri for the entire year, or the claimant or spouse is a veteran of any branch of the Armed Forces of the United States or this state who became one hundred percent disabled as a result of such service, or the claimant or spouse is disabled as defined in subdivision (2) of this section, and such claimant or spouse provides proof of such disability in such form and manner, and at such times, as the director of revenue may require, or if the claimant has reached the age of sixty on or before the last day of the calendar year and such claimant received surviving spouse Social Security benefits during the calendar year and the claimant provides proof, as required by the director of revenue, that the claimant received surviving spouse Social Security benefits during the calendar year for which the credit will be claimed. A claimant shall not be allowed a property tax credit if the claimant filed a valid claim for a credit under section 137.106 in the year following the year for which the property tax credit is claimed. The residency requirement shall be deemed to have been fulfilled for the purpose of determining the eligibility of a surviving spouse for a property tax credit if a person of the age of sixty-five years or older who would have otherwise met the requirements for a property tax credit dies before the last day of the calendar year. The residency requirement shall also be deemed to have been fulfilled for the purpose of determining the eligibility of a claimant who would have otherwise met the requirements for a property tax credit but who dies before the last day of the calendar year;

(2) "Disabled", the inability to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than twelve months. A claimant shall not be required to be gainfully employed prior to such disability to qualify for a property tax credit;

(3) "Gross rent", amount paid by a claimant to a landlord for the rental, at arm's length, of a homestead during the calendar year, exclusive of charges for health and personal care services and food furnished as part of the rental agreement, whether or not expressly set out in the rental agreement. If the director of revenue determines that the landlord and tenant have not dealt at arm's length, and that the gross rent is excessive, then he shall determine the gross rent based upon a reasonable amount of rent. Gross rent shall be deemed to be paid only if actually paid prior to the date a return is filed. The director of revenue may prescribe regulations requiring a return of information by a landlord receiving rent, certifying for a calendar year the amount of gross rent received from a tenant claiming a property tax credit and shall, by regulation, provide a method for certification by the claimant of the amount of gross rent paid for any calendar year for which a claim is made. The regulations authorized by this subdivision may require a landlord or a tenant or both to provide data relating to health and personal care services and to food. Neither a landlord nor a tenant may be required to provide data relating to utilities, furniture, home furnishings or appliances;

(4) "Homestead", the dwelling in Missouri owned or rented by the claimant and not to exceed five acres of land surrounding it as is reasonably necessary for use of the dwelling as a home. It may consist of part of a multidwelling or multipurpose building and part of the land upon which it is built. "Owned" includes a vendee in possession under a land contract and one or more tenants by the entireties, joint tenants, or tenants in common and includes a claimant actually in possession if he was the immediate former owner of record, if a lineal descendant is presently the owner of record, and if the claimant actually pays all taxes upon the property. It may include a mobile home;

(5) "Income", Missouri adjusted gross income as defined in section 143.121 less two thousand dollars **for all calendar years ending on or before December 31, 2025**, or in the case of a homestead owned and occupied, for the entire year, by the claimant, less four thousand dollars as an exemption for the claimant's spouse residing at the same address**[**,**]** **for all calendar years ending on or before December 31, 2025, or for all calendar years beginning on or after January 1, 2026, less two thousand eight hundred dollars, or in the case of a homestead owned and occupied, for the entire year, by the claimant, less five thousand eight hundred dollars, as an exemption for the claimant's spouse residing at the same address;** and increased, where necessary, to reflect the following:

(a) Social Security, railroad retirement, and veterans payments and benefits unless the claimant is a one hundred percent service-connected, disabled veteran or a spouse of a one hundred percent service-

connected, disabled veteran. The one hundred percent service-connected disabled veteran shall not be required to list veterans payments and benefits;

(b) The total amount of all other public and private pensions and annuities;

(c) Public relief, public assistance, and unemployment benefits received in cash, other than benefits received under this chapter;

(d) No deduction being allowed for losses not incurred in a trade or business;

(e) Interest on the obligations of the United States, any state, or any of their subdivisions and instrumentalities;

(6) "Property taxes accrued", property taxes paid, exclusive of special assessments, penalties, interest, and charges for service levied on a claimant's homestead in any calendar year. Property taxes shall qualify for the credit only if actually paid prior to the date a return is filed. The director of revenue shall require a tax receipt or other proof of property tax payment. If a homestead is owned only partially by claimant, then "property taxes accrued" is that part of property taxes levied on the homestead which was actually paid by the claimant. For purposes of this subdivision, property taxes are "levied" when the tax roll is delivered to the director of revenue for collection. If a claimant owns a homestead part of the preceding calendar year and rents it or a different homestead for part of the same year, "property taxes accrued" means only taxes levied on the homestead both owned and occupied by the claimant, multiplied by the percentage of twelve months that such property was owned and occupied as the homestead of the claimant during the year. When a claimant owns and occupies two or more different homesteads in the same calendar year, property taxes accrued shall be the sum of taxes allocable to those several properties occupied by the claimant as a homestead for the year. If a homestead is an integral part of a larger unit such as a farm, or multipurpose or multidwelling building, property taxes accrued shall be that percentage of the total property taxes accrued as the value of the homestead is of the total value. For purposes of this subdivision "unit" refers to the parcel of property covered by a single tax statement of which the homestead is a part;

(7) "Rent constituting property taxes accrued", twenty percent of the gross rent paid by a claimant and spouse in the calendar year.

135.025. The property taxes accrued and rent constituting property taxes accrued on each return shall be totaled. This total, up to seven hundred fifty dollars in rent constituting property taxes actually paid or eleven hundred dollars in actual property tax paid, shall be used in determining the property tax credit **for all calendar years ending on or before December 31, 2025. For all calendar years beginning on or after January 1, 2026, this total, up to one thousand fifty-five dollars in rent constituting property taxes actually paid or one thousand five hundred fifty dollars in actual property tax paid, shall be**

used in determining the property tax credit. The director of revenue shall prescribe regulations providing for allocations where part of a claimant's homestead is rented to another or used for nondwelling purposes or where a homestead is owned or rented or used as a dwelling for part of a year.

135.030. 1. As used in this section:

(1) The term "maximum upper limit" shall, for each calendar year after December 31, 1997, but before calendar year 2008, be the sum of twenty-five thousand dollars. For all calendar years beginning on or after January 1, 2008, **but ending on or before December 31, 2025,** the maximum upper limit shall be the sum of twenty-seven thousand five hundred dollars. In the case of a homestead owned and occupied for the entire year by the claimant, **for all calendar years ending on or before December 31, 2025,** the maximum upper limit shall be the sum of thirty thousand dollars**. For all calendar years beginning on or after January 1, 2026, the maximum upper limit shall be the sum of:**

(a) Thirty-eight thousand two hundred dollars for claimants with a filing status of single;

(b) Forty-two thousand two hundred dollars for claimants with a filing status of single and who owned and occupied a homestead for the entire year;

(c) Forty-one thousand dollars for claimants with a filing status of married filing combined; and

(d) Forty-eight thousand dollars for claimants with a filing status of married filing combined and who owned and occupied a homestead for the entire year.

(2) The term "minimum base" shall, for each calendar year after December 31, 1997, but before calendar year 2008, be the sum of thirteen thousand dollars. For all calendar years beginning on or after January 1, 2008, the minimum base shall be the sum of fourteen thousand three hundred dollars.

2. **(1)** If the income on a return is equal to or less than the maximum upper limit for the calendar year for which the return is filed, the property tax credit shall be determined from a table of credits based upon the amount by which the total property tax described in section 135.025 exceeds the percent of income in the following list:

If the income on the return is:	The percent is:
Not over the minimum base	0 percent with credit not to exceed $1,100 in actual property tax or rent equivalent paid up to $750

Over the minimum base but not over the maximum upper limit	1/16 percent accumulative per $300 from 0 percent to 4 percent.

(2) The director of revenue shall prescribe a table based upon **[**the preceding sentences**]** **subdivision (1) of this subsection**. The property tax shall be in increments of twenty-five dollars and the income in increments of three hundred dollars. The credit shall be the amount rounded to the nearest whole dollar computed on the basis of the property tax and income at the midpoints of each increment. As used in this subsection, the term "accumulative" means an increase by continuous or repeated application of the percent to the income increment at each three hundred dollar level.

3. **(1) For all calendar years beginning on or after January 1, 2026, if the income on a return is equal to or less than the maximum upper limit for the calendar year for which the return is filed, the property tax credit shall be determined from a table of credits based upon the amount by which the total property tax described in section 135.025 exceeds the percent of income in the following list:**

If the income on the return is:	**The percent is:**
Not over the minimum base	**0 percent with credit not to exceed $1,550 in actual property tax or rent equivalent paid up to $1,055.**
Over the minimum base but not over the maximum upper limit	**1/16 percent accumulative per $495, from 0 percent to 2 percent.**

(2) The director of revenue shall prescribe a table based upon subdivision (1) of this subsection. The property tax shall be in increments of twenty-five dollars and the income in increments of four hundred ninety-five dollars. The credit shall be the amount rounded to the nearest whole dollar computed on the basis of the property tax and income at the midpoints of each increment. As used in this subsection, the term "accumulative" means an increase by continuous or repeated application of the percent to the income increment at each four hundred ninety-five dollar level.

4. Notwithstanding subsection 4 of section 32.057, the department of revenue or any duly authorized employee or agent shall determine whether any taxpayer filing a report or return with the department of revenue who has not applied for the credit allowed pursuant to section 135.020 may qualify for the credit, and shall notify any qualified claimant of the claimant's potential eligibility, where the department determines such potential eligibility exists."; and

Further amend said bill, Pages 4-11, Section 143.121, Lines 1-248, by deleting all of said section and lines and inserting in lieu thereof following:

"143.121. 1. The Missouri adjusted gross income of a resident individual shall be the taxpayer's federal adjusted gross income subject to the modifications in this section.

2. There shall be added to the taxpayer's federal adjusted gross income:

(1) The amount of any federal income tax refund received for a prior year which resulted in a Missouri income tax benefit. The amount added pursuant to this subdivision shall not include any amount of a federal income tax refund attributable to a tax credit reducing a taxpayer's federal tax liability pursuant to Public Law 116-136 or 116-260, enacted by the 116th United States Congress, for the tax year beginning on or after January 1, 2020, and ending on or before December 31, 2020, and deducted from Missouri adjusted gross income pursuant to section 143.171. The amount added under this subdivision shall also not include any amount of a federal income tax refund attributable to a tax credit reducing a taxpayer's federal tax liability under any other federal law that provides direct economic impact payments to taxpayers to mitigate financial challenges related to the COVID-19 pandemic, and deducted from Missouri adjusted gross income under section 143.171;

(2) Interest on certain governmental obligations excluded from federal gross income by 26 U.S.C. Section 103 of the Internal Revenue Code, as amended. The previous sentence shall not apply to interest on obligations of the state of Missouri or any of its political subdivisions or authorities and shall not apply to the interest described in subdivision (1) of subsection 3 of this section. The amount added pursuant to this subdivision shall be reduced by the amounts applicable to such interest that would have been deductible in computing the taxable income of the taxpayer except only for the application of 26 U.S.C. Section 265 of the Internal Revenue Code, as amended. The reduction shall only be made if it is at least five hundred dollars;

(3) The amount of any deduction that is included in the computation of federal taxable income pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code as amended by the Job Creation and Worker Assistance Act of 2002 to the extent the amount deducted relates to property purchased on or after July 1, 2002, but before July 1, 2003, and to the extent the amount deducted exceeds the amount that would have been deductible pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code of 1986 as in effect on January 1, 2002;

(4) The amount of any deduction that is included in the computation of federal taxable income for net operating loss allowed by 26 U.S.C. Section 172 of the Internal Revenue Code of 1986, as amended, other than the deduction allowed by 26 U.S.C. Section 172(b)(1)(G) and 26 U.S.C. Section 172(i) of the Internal Revenue Code of 1986, as amended, for a net operating loss the taxpayer claims in the tax year in which the net operating loss occurred or carries forward for a period of more than twenty years and carries

backward for more than two years. Any amount of net operating loss taken against federal taxable income but disallowed for Missouri income tax purposes pursuant to this subdivision after June 18, 2002, may be carried forward and taken against any income on the Missouri income tax return for a period of not more than twenty years from the year of the initial loss; and

(5) For nonresident individuals in all taxable years ending on or after December 31, 2006, the amount of any property taxes paid to another state or a political subdivision of another state for which a deduction was allowed on such nonresident's federal return in the taxable year unless such state, political subdivision of a state, or the District of Columbia allows a subtraction from income for property taxes paid to this state for purposes of calculating income for the income tax for such state, political subdivision of a state, or the District of Columbia;

(6) For all tax years beginning on or after January 1, 2018, any interest expense paid or accrued in a previous taxable year, but allowed as a deduction under 26 U.S.C. Section 163, as amended, in the current taxable year by reason of the carryforward of disallowed business interest provisions of 26 U.S.C. Section 163(j), as amended. For the purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under 26 U.S.C. Section 163, as amended, if the limitation under 26 U.S.C. Section 163(j), as amended, did not exist.

3. There shall be subtracted from the taxpayer's federal adjusted gross income the following amounts to the extent included in federal adjusted gross income:

(1) Interest received on deposits held at a federal reserve bank or interest or dividends on obligations of the United States and its territories and possessions or of any authority, commission or instrumentality of the United States to the extent exempt from Missouri income taxes pursuant to the laws of the United States. The amount subtracted pursuant to this subdivision shall be reduced by any interest on indebtedness incurred to carry the described obligations or securities and by any expenses incurred in the production of interest or dividend income described in this subdivision. The reduction in the previous sentence shall only apply to the extent that such expenses including amortizable bond premiums are deducted in determining the taxpayer's federal adjusted gross income or included in the taxpayer's Missouri itemized deduction. The reduction shall only be made if the expenses total at least five hundred dollars;

(2) The portion of any gain, from the sale or other disposition of property having a higher adjusted basis to the taxpayer for Missouri income tax purposes than for federal income tax purposes on December 31, 1972, that does not exceed such difference in basis. If a gain is considered a long-term capital gain for federal income tax purposes, the modification shall be limited to one-half of such portion of the gain;

(3) The amount necessary to prevent the taxation pursuant to this chapter of any annuity or other amount of income or gain which was properly included in income or gain and was taxed pursuant to the laws of Missouri for a taxable year prior to January 1, 1973, to the taxpayer, or to a decedent by reason of

whose death the taxpayer acquired the right to receive the income or gain, or to a trust or estate from which the taxpayer received the income or gain;

(4) Accumulation distributions received by a taxpayer as a beneficiary of a trust to the extent that the same are included in federal adjusted gross income;

(5) The amount of any state income tax refund for a prior year which was included in the federal adjusted gross income;

(6) The portion of capital gain specified in section 135.357 that would otherwise be included in federal adjusted gross income;

(7) The amount that would have been deducted in the computation of federal taxable income pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code as in effect on January 1, 2002, to the extent that amount relates to property purchased on or after July 1, 2002, but before July 1, 2003, and to the extent that amount exceeds the amount actually deducted pursuant to 26 U.S.C. Section 168 of the Internal Revenue Code as amended by the Job Creation and Worker Assistance Act of 2002;

(8) For all tax years beginning on or after January 1, 2005, the amount of any income received for military service while the taxpayer serves in a combat zone which is included in federal adjusted gross income and not otherwise excluded therefrom. As used in this section, "combat zone" means any area which the President of the United States by Executive Order designates as an area in which Armed Forces of the United States are or have engaged in combat. Service is performed in a combat zone only if performed on or after the date designated by the President by Executive Order as the date of the commencing of combat activities in such zone, and on or before the date designated by the President by Executive Order as the date of the termination of combatant activities in such zone;

(9) For all tax years ending on or after July 1, 2002, with respect to qualified property that is sold or otherwise disposed of during a taxable year by a taxpayer and for which an additional modification was made under subdivision (3) of subsection 2 of this section, the amount by which additional modification made under subdivision (3) of subsection 2 of this section on qualified property has not been recovered through the additional subtractions provided in subdivision (7) of this subsection;

(10) For all tax years beginning on or after January 1, 2014, the amount of any income received as payment from any program which provides compensation to agricultural producers who have suffered a loss as the result of a disaster or emergency, including the:

(a) Livestock Forage Disaster Program;

(b) Livestock Indemnity Program;

(c) Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish;

(d) Emergency Conservation Program;

(e) Noninsured Crop Disaster Assistance Program;

(f) Pasture, Rangeland, Forage Pilot Insurance Program;

(g) Annual Forage Pilot Program;

(h) Livestock Risk Protection Insurance Plan;

(i) Livestock Gross Margin Insurance Plan;

(11) For all tax years beginning on or after January 1, 2018, any interest expense paid or accrued in the current taxable year, but not deducted as a result of the limitation imposed under 26 U.S.C. Section 163(j), as amended. For the purposes of this subdivision, an interest expense is considered paid or accrued only in the first taxable year the deduction would have been allowable under 26 U.S.C. Section 163, as amended, if the limitation under 26 U.S.C. Section 163(j), as amended, did not exist;

(12) One hundred percent of any retirement benefits received by any taxpayer as a result of the taxpayer's service in the Armed Forces of the United States, including reserve components and the National Guard of this state, as defined in 32 U.S.C. Sections 101(3) and 109, and any other military force organized under the laws of this state; **[**and**]**

(13) For all tax years beginning on or after January 1, 2022, one hundred percent of any federal, state, or local grant moneys received by the taxpayer if the grant money was disbursed for the express purpose of providing or expanding access to broadband internet to areas of the state deemed to be lacking such access**; and**

(14) (a) For all tax years beginning on or after January 1, 2025, one hundred percent of all income reported as a capital gain for federal income tax purposes by an individual subject to tax pursuant to section 143.011; and

(b) For all tax years beginning on or after January first of the tax year following the tax year in which the top rate of tax imposed pursuant to section 143.011 is equal to or less than four and one-half percent, one hundred percent of all income reported as a capital gain for federal income tax purposes by an entity subject to tax pursuant to section 143.071.

4. There shall be added to or subtracted from the taxpayer's federal adjusted gross income the taxpayer's share of the Missouri fiduciary adjustment provided in section 143.351.

5. There shall be added to or subtracted from the taxpayer's federal adjusted gross income the modifications provided in section 143.411.

6. In addition to the modifications to a taxpayer's federal adjusted gross income in this section, to calculate Missouri adjusted gross income there shall be subtracted from the taxpayer's federal adjusted gross income any gain recognized pursuant to 26 U.S.C. Section 1033 of the Internal Revenue Code of 1986, as amended, arising from compulsory or involuntary conversion of property as a result of condemnation or the imminence thereof.

7. (1) As used in this subsection, "qualified health insurance premium" means the amount paid during the tax year by such taxpayer for any insurance policy primarily providing health care coverage for the taxpayer, the taxpayer's spouse, or the taxpayer's dependents.

(2) In addition to the subtractions in subsection 3 of this section, one hundred percent of the amount of qualified health insurance premiums shall be subtracted from the taxpayer's federal adjusted gross income to the extent the amount paid for such premiums is included in federal taxable income. The taxpayer shall provide the department of revenue with proof of the amount of qualified health insurance premiums paid.

8. (1) Beginning January 1, 2014, in addition to the subtractions provided in this section, one hundred percent of the cost incurred by a taxpayer for a home energy audit conducted by an entity certified by the department of natural resources under section 640.153 or the implementation of any energy efficiency recommendations made in such an audit shall be subtracted from the taxpayer's federal adjusted gross income to the extent the amount paid for any such activity is included in federal taxable income. The taxpayer shall provide the department of revenue with a summary of any recommendations made in a qualified home energy audit, the name and certification number of the qualified home energy auditor who conducted the audit, and proof of the amount paid for any activities under this subsection for which a deduction is claimed. The taxpayer shall also provide a copy of the summary of any recommendations made in a qualified home energy audit to the department of natural resources.

(2) At no time shall a deduction claimed under this subsection by an individual taxpayer or taxpayers filing combined returns exceed one thousand dollars per year for individual taxpayers or cumulatively exceed two thousand dollars per year for taxpayers filing combined returns.

(3) Any deduction claimed under this subsection shall be claimed for the tax year in which the qualified home energy audit was conducted or in which the implementation of the energy efficiency recommendations occurred. If implementation of the energy efficiency recommendations occurred during more than one year, the deduction may be claimed in more than one year, subject to the limitations provided under subdivision (2) of this subsection.

(4) A deduction shall not be claimed for any otherwise eligible activity under this subsection if such activity qualified for and received any rebate or other incentive through a state-sponsored energy program or through an electric corporation, gas corporation, electric cooperative, or municipally owned utility.

9. The provisions of subsection 8 of this section shall expire on December 31, 2020.

10. (1) As used in this subsection, the following terms mean:

(a) "Beginning farmer", a taxpayer who:

a. Has filed at least one but not more than ten Internal Revenue Service Schedule F (Form 1040) Profit or Loss From Farming forms since turning eighteen years of age;

b. Is approved for a beginning farmer loan through the USDA Farm Service Agency Beginning Farmer direct or guaranteed loan program;

c. Has a farming operation that is determined by the department of agriculture to be new production agriculture but is the principal operator of a farm and has substantial farming knowledge; or

d. Has been determined by the department of agriculture to be a qualified family member;

(b) "Farm owner", **[**an individual**] a taxpayer** who owns farmland and disposes of or relinquishes use of all or some portion of such farmland as follows:

a. A sale to a beginning farmer;

b. A lease or rental agreement not exceeding ten years with a beginning farmer; or

c. A crop-share arrangement not exceeding ten years with a beginning farmer;

(c) "Qualified family member", an individual who is related to a farm owner within the fourth degree by blood, marriage, or adoption and who is purchasing or leasing or is in a crop-share arrangement for land from all or a portion of such farm owner's farming operation.

(d) "Taxpayer", any individual, firm, partner in a firm, corporation, partnership, shareholder in an S corporation, or member of a limited liability company subject to the income tax imposed under this chapter, excluding withholding tax imposed under sections 143.191 to 143.265.

(2) (a) In addition to all other subtractions authorized in this section, a taxpayer who is a farm owner who sells all or a portion of such farmland to a beginning farmer may subtract from such taxpayer's Missouri adjusted gross income an amount to the extent included in federal adjusted gross income as provided in this subdivision.

(b) Subject to the limitations in paragraph (c) of this subdivision, the amount that may be subtracted shall be equal to the portion of capital gains received from the sale of such farmland that such taxpayer receives in the tax year for which such taxpayer subtracts such capital gain.

(c) A taxpayer may subtract the following amounts and percentages per tax year in total capital gains received from the sale of such farmland under this subdivision:

a. For the first two million dollars received, one hundred percent;

b. For the next one million dollars received, eighty percent;

c. For the next one million dollars received, sixty percent;

d. For the next one million dollars received, forty percent; and

e. For the next one million dollars received, twenty percent.

(d) The department of revenue shall prepare an annual report reviewing the costs and benefits and containing statistical information regarding the subtraction of capital gains authorized under this subdivision for the previous tax year including, but not limited to, the total amount of all capital gains subtracted and the number of taxpayers subtracting such capital gains. Such report shall be submitted before February first of each year to the committee on agriculture policy of the Missouri house of representatives and the committee on agriculture, food production and outdoor resources of the Missouri senate, or the successor committees.

(3) (a) In addition to all other subtractions authorized in this section, a taxpayer who is a farm owner who enters a lease or rental agreement for all or a portion of such farmland with a beginning farmer may subtract from such taxpayer's Missouri adjusted gross income an amount to the extent included in federal adjusted gross income as provided in this subdivision.

(b) Subject to the limitation in paragraph (c) of this subdivision, the amount that may be subtracted shall be equal to the portion of cash rent income received from the lease or rental of such farmland that such taxpayer receives in the tax year for which such taxpayer subtracts such income.

(c) No taxpayer shall subtract more than twenty-five thousand dollars per tax year in total cash rent income received from the lease or rental of such farmland under this subdivision.

(4) (a) In addition to all other subtractions authorized in this section, a taxpayer who is a farm owner who enters a crop-share arrangement on all or a portion of such farmland with a beginning farmer may subtract from such taxpayer's Missouri adjusted gross income an amount to the extent included in federal adjusted gross income as provided in this subdivision.

(b) Subject to the limitation in paragraph (c) of this subdivision, the amount that may be subtracted shall be equal to the portion of income received from the crop-share arrangement on such farmland that such taxpayer receives in the tax year for which such taxpayer subtracts such income.

(c) No taxpayer shall subtract more than twenty-five thousand dollars per tax year in total income received from the lease or rental of such farmland under this subdivision.

(5) The department of agriculture shall, by rule, establish a process to verify that a taxpayer is a beginning farmer for purposes of this section and shall provide verification to the beginning farmer and farm seller of such farmer's and seller's certification and qualification for the exemption provided in this subsection."; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 2

Amend House Committee Substitute for Senate Substitute for Senate Bill No. 67, Page 4, Section 32.115, Line 121, by inserting after all of said section and line the following:

"143.081. 1. A resident individual, resident estate, and resident trust shall be allowed a credit against the tax otherwise due pursuant to sections 143.005 to 143.998 for the amount of any income tax imposed for the taxable year by another state of the United States (or a political subdivision thereof) or the District of Columbia on income derived from sources therein and which is also subject to tax pursuant to sections 143.005 to 143.998. For purposes of this subsection, the phrase "income tax imposed" shall be that amount of tax before any income tax credit allowed by such other state or the District of Columbia if the other state or the District of Columbia authorizes a reciprocal benefit for residents of this state.

2. The credit provided pursuant to this section shall not exceed an amount which bears the same ratio to the tax otherwise due pursuant to sections 143.005 to 143.998 as the amount of the taxpayer's Missouri adjusted gross income derived from sources in the other jurisdiction bears to the taxpayer's Missouri adjusted gross income derived from all sources. In applying the limitation of the previous sentence to an estate or trust, Missouri taxable income shall be substituted for Missouri adjusted gross income. If the tax of more than one other jurisdiction is imposed on the same item of income, the credit shall not exceed the limitation that would result if the taxes of all the other jurisdictions applicable to the item were deemed to be of a single jurisdiction. The provisions of this subsection shall apply to any credit allowed under this section**, provided that such credit shall be allowed under this section with respect to any estate or trust to the extent its Missouri adjusted gross income is excluded from Missouri taxable income pursuant to the subtraction set forth in subsection 3 of section 143.341**.

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

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

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

Further amend said bill, Page 11, Section 143.121, Line 248, by inserting after all of said section and line the following:

"143.341. 1. The Missouri taxable income of a resident estate or trust means its federal taxable income subject to the modifications in this section.

2. There shall be subtracted the amount if any that the federal personal exemption deduction allowable to the estate or trust exceeds its federal taxable income without its personal exemption deduction.

3. For all tax years beginning on or after January 1, 2026, there shall be subtracted that amount included in Missouri taxable income of the estate or trust that would not be included as Missouri taxable income if said estate or trust were considered a nonresident estate or trust as defined in section 143.371. This subtraction shall only apply to the extent it is not a determinant of the federal distributable net income of the estate or trust.

[3.**]** **4.** There shall be added or subtracted, as the case may be, the modifications described in sections 143.121 and 143.141, and there shall be subtracted the federal income tax deduction provided in section 143.171. These additions and subtractions shall only apply to the extent that they are not determinants of the federal distributable net income of the estate or trust.

[4.**]** **5.** There shall be added or subtracted, as the case may be, the share of the estate or trust in the fiduciary adjustment determined under section 143.351."; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

HOUSE AMENDMENT NO. 3

Amend House Committee Substitute for Senate Substitute for Senate Bill No. 67, Page 10, Section 143.121, Line 195, by inserting after the word "**individual,**" the word "**trust,**"; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

In which the concurrence of the Senate is respectfully requested.

MESSAGES FROM THE GOVERNOR

The following messages were received from the Governor, reading of which was waived:

GOVERNOR
STATE OF MISSOURI
April 24, 2025

TO THE SECRETARY OF THE MISSOURI SENATE
103rd GENERAL ASSEMBLY
REGULAR SESSION
STATE OF MISSOURI

Herewith I return to you Senate Substitute No. 2 for Senate Committee Substitute for Senate Bill No. 22:

AN ACT

To repeal sections 116.155, 116.160, 116.190, 116.334, and 526.010, RSMo, and to enact in lieu thereof five new sections relating to judicial proceedings, with an emergency clause for a certain section.

On April 24, 2025, I approved Senate Substitute No. 2 for Senate Committee Substitute for Senate Bill No. 22.

Respectfully submitted,
Mike Kehoe
Governor

Also,

GOVERNOR
STATE OF MISSOURI
April 24, 2025

TO THE SECRETARY OF THE MISSOURI SENATE
103rd GENERAL ASSEMBLY
REGULAR SESSION
STATE OF MISSOURI

Herewith I return to you Senate Substitute for Senate Committee Substitute for Senate Bill No. 47:

AN ACT

To amend supreme court rule 52.08, relating to class actions.

On April 24, 2025, I approved Senate Substitute for Senate Committee Substitute for Senate Bill No. 47.

Respectfully submitted,
Mike Kehoe
Governor

HOUSE BILLS ON SECOND READING

The following Bills and Joint Resolution were read the 2nd time and referred to the Committee indicated:

HCS for **HB 18**—Appropriations.

HCS for **HB 19**—Appropriations.

HCS for **HB 20**—Appropriations.

HCS for **HJR 73**—Families, Seniors, and Health.

INTRODUCTION OF GUESTS

Senator Bernskoetter introduced to the Senate, his wife, Jeanette; and his daughter in law, Tina, her children, Trent, Julia and John Bernskoetter; his daughter, Krista and her son, Chase Castrop; his son, Kyle, his daughter in law, Robin; and their children, Grace, Cody, and Alma Bernskoetter; and his son, Luke, his daughter in law, Cassidy; and their son, Bowen Bernskoetter.

Senator Burger introduced to the Senate, his wife, Sherry; his daughter, Vanessa Koepp; and grandson, Jett Page.

Senator Nurrenbern introduced to the Senate, her husband, Greg; and their children, Luke, Eli, and Henry, Kansas City; and Eli and Henry were made honorary pages.

Senator Schnelting introduced to the Senate, his wife, Christine; their children, Catherine and George; and Mary, Nathan, Perrin Mansmith.

Senator Crawford introduced to the Senate, Pastor Don Ball; his wife, Kelly and their son, Ben, Phillipsburg.

On motion of Senator Luetkemeyer, the Senate adjourned under the rules.

SENATE CALENDAR

FIFTY-NINTH DAY—TUESDAY, APRIL 29, 2025

FORMAL CALENDAR

HOUSE BILLS ON SECOND READING

HB 709-Seitz
HB 608-Thompson
HCS for HB 918
HB 134-Costlow

HCS for HB 1264
HB 200-Falkner
HB 1041-Diehl
HB 757-Mayhew
HCS for HB 736
HB 1284-Hewkin
HCS for HB 326
HB 205-Hinman
HCS for HB 606
HB 837-Farnan

SENATE BILLS FOR PERFECTION

SB 506-Schroer
SB 196-Moon
SB 100-Cierpiot
SB 83-Burger, with SCS
SB 85-Nicola, with SCS
SB 162-Schnelting
SB 586-Hough
SB 753-Hough
SJRs 47, 30 & 10-Carter, with SCS

HOUSE BILLS ON THIRD READING

1. HB 419-Mayhew (Crawford)
2. HB 225-Myers, with SCS (Brown (16)) (In Fiscal Oversight)
3. HCS for HJRs 23 & 3 (Nicola) (In Fiscal Oversight)
4. HB 939-Jones (12) (Brown (26))
5. HCS for HB 1175 (Brattin) (In Fiscal Oversight)
6. HB 618-Stinnett (Brown (26)) (In Fiscal Oversight)
7. HB 269-Shields (Hough) (In Fiscal Oversight)
8. HB 262-Brown, C. (16) (Brattin) (In Fiscal Oversight)
9. HCS for HB 1346, with SCS (Gregory (21)) (In Fiscal Oversight)
10. HCS for HBs 296 & 438 (Black)
11. HCS for HBs 799, 334, 424 & 1069, with SCS (Fitzwater) (In Fiscal Oversight)
12. HB 1086-Brown, C. (16), with SCS (Brown (26)) (In Fiscal Oversight)
13. HB 121-Murphy, with SCS (Coleman) (In Fiscal Oversight)
14. HCS for HBs 177 & 469 (Carter) (In Fiscal Oversight)
15. HB 147-Hovis, with SCS (Black) (In Fiscal Oversight)
16. HCS for HB 2, with SCS (Hough)
17. HCS for HB 3, with SCS (Hough)
18. HCS for HB 4, with SCS (Hough)
19. HCS for HB 5, with SCS (Hough)
20. HCS for HB 6, with SCS (Hough)
21. HCS for HB 7, with SCS (Hough)
22. HCS for HB 8, with SCS (Hough)
23. HCS for HB 9, with SCS (Hough)
24. HCS for HB 10, with SCS (Hough)
25. HCS for HB 11, with SCS (Hough)
26. HCS for HB 12, with SCS (Hough)
27. HCS for HB 13, with SCS (Hough)
28. HCS for HB 17, with SCS (Hough)

INFORMAL CALENDAR

SENATE BILLS FOR PERFECTION

SB 5-Cierpiot
SB 6-Cierpiot
SB 8-Bernskoetter
SB 14-Brown (16)
SB 23-Brattin, with SCS
SB 31-Beck
SB 45-Fitzwater and Carter
SB 46-Trent and Coleman

SBs 52 & 44-Schroer and Carter, with SCS, SS for SCS & SA 3 (pending)
SB 54-Schroer, with SCS, SS for SCS & SA 3 (pending)
SB 58-Carter and Moon, with SCS
SB 62-Brown (26), with SCS
SB 69-Henderson, with SS, SA 1 & SA 1 to SA 1 (pending)
SB 77-Schnelting, et al, with SS, SA 1 & SA 1 to SA 1 (pending)
SB 84-Burger
SB 87-Nicola, with SCS, SS for SCS & SA 1 (pending)
SB 99-Crawford, with SCS
SBs 101 & 64-Cierpiot, with SCS
SB 104-Bernskoetter, with SCS
SB 107-Brown (16) and Black, with SS (pending)
SB 185-Cierpiot
SB 190-Brown (16) and Gregory (21), with SS & SA 2 (pending)
SBs 215 & 70-Trent, with SCS
SB 217-Black, with SCS
SB 223-Coleman
SB 225-Coleman
SB 230-Brown (26)
SB 240-Burger, with SS & SA 1 (pending)
SB 485-Schroer and Schnelting
SJR 62-Cierpiot

HOUSE BILLS ON THIRD READING

HB 68-Overcast (Trent)
HCS for HB 75 (Schnelting)
HCS#2 for HBs 567, 546, 758 & 958, with SS#2, SA 1 & SA 1 to SA 1 (pending) (Bernskoetter)
HCS for HB 711, with SCS (Trent)
HB 742-Baker, with SCS, SS for SCS & SA 1 (pending) (Brattin)
SS for SCS for HB 754-Oehlerking (Crawford) (In Fiscal Oversight)

SENATE BILLS WITH HOUSE AMENDMENTS

SS for SB 67-Henderson, with HCS, as amended
SS for SCS for SB 68-Henderson, with HCS, as amended

BILLS IN CONFERENCE AND BILLS CARRYING REQUEST MESSAGES

In Conference

SS for SB 28-Bean, with HA 1, HA 2, HA 1 to HA 3, HA 3, as amended, & HA 4
SS for SCS for SBs 81 & 174-Gregory (21), with HCS, as amended
SS for HCS for HBs 595 & 343 (Schroer)
HCS for HBs 737 & 486, with SS, as amended (Burger)
(House adopted CCR and passed CCS)

RESOLUTIONS

SR 18-May
SR 32-Moon
SR 39-Nurrenbern

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