

# Journal of the Senate

FIRST REGULAR SESSION

SIXTY-NINTH DAY—MONDAY, MAY 10, 1999

The Senate met pursuant to adjournment.

Absent with leave—Senators—None

President Pro Tem Quick in the Chair.

The Lieutenant Governor was present.

The Reverend Carl R. Gauck offered the following prayer:

Gracious and Heavenly Father: We begin a week that may look and feel like a marathon run as we deal with the various bills and their adjustments to reconcile them with the House and make them more effective. Bless us with Your Holy Spirit that is surely needed this week and grant us an extra measure of wisdom and Your peace to carry us through these long days. In Your Holy Name we pray. Amen.

The Pledge of Allegiance to the Flag was recited.

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

The Journal for Friday, May 7, 1999, was read and approved.

Senator DePasco announced that photographers from the Senate and the Associated Press had been given permission to take pictures in the Senate Chamber today.

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

Present—Senators

Banks	Bentley	Bland	Caskey
Childers	Clay	DePasco	Ehlmann
Flotron	Goode	Graves	House
Howard	Jacob	Johnson	Kenney
Kinder	Klarich	Mathewson	Maxwell
Mueller	Quick	Rohrbach	Russell
Schneider	Scott	Sims	Singleton
Staples	Steelman	Stoll	Westfall
Wiggins	Yeckel—34		

## RESOLUTIONS

Senator House offered Senate Resolution No. 824, regarding Ken Hussey, St. Charles County, which was adopted.

## THIRD READING OF SENATE BILLS

**SB 472** was placed on the Informal Calendar.

**SS** for **SCS** for **SBs 347, 40, 241** and **301** was placed on the Informal Calendar.

## HOUSE BILLS ON THIRD READING

Senator Caskey moved that **SCS** for **HCS** for **HB 343**, as amended, be called from the Informal Calendar and again taken up for 3rd reading and final passage, which motion prevailed.

On motion of Senator Caskey, **SCS** for **HCS** for **HB 343**, as amended, was read the 3rd time and passed by the following vote:

YEAS—Senators

Banks	Bentley	Bland	Caskey
Childers	DePasco	Flotron	Goode
House	Howard	Jacob	Kenney
Klarich	Mathewson	Maxwell	Quick
Russell	Schneider	Scott	Sims
Steelman	Stoll	Westfall	Wiggins
Yeckel—25			

NAYS—Senators

Mueller	Rohrbach—2
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## Absent—Senators

Clay	Ehlmann	Graves	Johnson
Kinder	Singleton	Staples—7	

Absent with leave—Senators—None

The President Pro Tem declared the bill passed.

The emergency clause was adopted by the following vote:

## YEAS—Senators

Banks	Bentley	Bland	Caskey
Childers	DePasco	Flotron	Goode
House	Howard	Jacob	Kenney
Klarich	Mathewson	Maxwell	Quick
Russell	Schneider	Scott	Sims
Steelman	Stoll	Westfall	Wiggins
Yeckel—25			

## NAYS—Senators

Mueller	Rohrbach—2
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## Absent—Senators

Clay	Ehlmann	Graves	Johnson
Kinder	Singleton	Staples—7	

Absent with leave—Senators—None

On motion of Senator Caskey, title to the bill was agreed to.

Senator Caskey moved that the vote by which the bill passed be reconsidered.

Senator DePasco moved that motion lay on the table, which motion prevailed.

**HS for HCS for HB 852, with SCS, entitled:**

An Act to repeal sections 632.483, 632.489, 632.495, 632.507 and 632.510, RSMo Supp. 1998, relating to civil commitment of sexually violent predators, and to enact in lieu thereof six new sections relating to the same subject.

Was taken up by Senator Caskey.

**SCS for HS for HCS for HB 852, entitled:**

SENATE COMMITTEE SUBSTITUTE FOR  
HOUSE SUBSTITUTE FOR  
HOUSE COMMITTEE SUBSTITUTE FOR  
HOUSE BILL NO. 852

An Act to repeal sections 600.042, 632.483,

632.489, 632.492, 632.495, 632.507 and 632.510, RSMo Supp. 1998, relating to civil commitment of sexually violent predators, and to enact in lieu thereof eight new sections relating to the same subject.

Was taken up.

Senator Caskey moved that **SCS** for **HS** for **HCS** for **HB 852** be adopted, which motion prevailed.

Senator Mathewson assumed the Chair.

President Pro Tem Quick assumed the Chair.

On motion of Senator Caskey, **SCS** for **HS** for **HCS** for **HB 852** was read the 3rd time and passed by the following vote:

## YEAS—Senators

Banks	Bentley	Bland	Caskey
Childers	DePasco	Ehlmann	Flotron
Goode	House	Kenney	Klarich
Mathewson	Maxwell	Mueller	Quick
Rohrbach	Russell	Scott	Sims
Staples	Steelman	Stoll	Westfall
Wiggins	Yeckel—26		

NAYS—Senators—None

## Absent—Senators

Clay	Graves	Howard	Jacob
Johnson	Kinder	Schneider	Singleton—8

Absent with leave—Senators—None

The President Pro Tem declared the bill passed.

On motion of Senator Caskey, title to the bill was agreed to.

Senator Caskey moved that the vote by which the bill passed be reconsidered.

Senator DePasco moved that motion lay on the table, which motion prevailed.

Senator Mathewson assumed the Chair.

At the request of Senator Stoll, **HCS** for **HB 889** was placed on the Informal Calendar.

**HS** for **HCS** for **HB 793**, with **SCS**, was placed on the Informal Calendar.

**HCS** for **HB 676**, with **SCS**, entitled:

An Act to repeal sections 115.105, 115.195, 115.199, 115.289, 115.298, 115.325, 115.349, 115.369, 115.375, 115.377, 115.381, 115.437 and 115.647, RSMo 1994, and sections 105.492, 115.013, 115.019, 115.123, 115.151, 115.155, 115.157, 115.158, 115.283, 115.351, 115.359, 115.453, 115.507, 115.615, 115.621, 115.635, 115.637, 115.750, 115.755, 115.761, 115.770, 115.773, 115.776, 115.780 and 115.785, RSMo Supp. 1998, relating to elections, and to enact in lieu thereof thirty-six new sections relating to the same subject.

Was called from the Informal Calendar and taken up by Senator Stoll.

**SCS** for **HCS** for **HB 676**, entitled:

SENATE COMMITTEE SUBSTITUTE FOR  
HOUSE COMMITTEE SUBSTITUTE FOR  
HOUSE BILL NO. 676

An Act to repeal sections 115.105, 115.195, 115.199, 115.231, 115.289, 115.325, 115.349, 115.369, 115.375, 115.377, 115.381, 115.437, 115.647 and 115.652, RSMo 1994, and sections 105.492, 115.013, 115.019, 115.123, 115.151, 115.155, 115.157, 115.158, 115.283, 115.285, 115.351, 115.359, 115.453, 115.507, 115.611, 115.613, 115.615, 115.621, 115.635, 115.637, 115.750, 115.755, 115.761, 115.770, 115.773, 115.776, 115.780 and 115.785, RSMo Supp. 1998, relating to elections, and to enact in lieu thereof forty-two new sections relating to the same subject.

Was taken up.

Senator Stoll moved that **SCS** for **HCS** for **HB 676** be adopted.

Senator Stoll offered **SS** for **SCS** for **HCS** for **HB 676**, entitled:

SENATE SUBSTITUTE FOR  
SENATE COMMITTEE SUBSTITUTE FOR  
HOUSE COMMITTEE SUBSTITUTE FOR  
HOUSE BILL NO. 676

An Act to repeal sections 115.065, 115.105, 115.195, 115.199, 115.231, 115.289, 115.325, 115.349, 115.369, 115.375, 115.377, 115.381, 115.437, 115.647 and 115.652, RSMo 1994, and

sections 105.492, 115.013, 115.019, 115.123, 115.124, 115.151, 115.155, 115.157, 115.158, 115.283, 115.285, 115.351, 115.359, 115.453, 115.507, 115.615, 115.621, 115.635, 115.637, 115.750, 115.755, 115.761, 115.770, 115.773, 115.776, 115.780, 115.785 and 130.057, RSMo Supp. 1998, relating to elections, and to enact in lieu thereof forty-two new sections relating to the same subject, with penalty provisions.

Senator Stoll moved that **SS** for **SCS** for **HCS** for **HB 676** be adopted.

Senator Goode offered **SA 1**, which was read:

SENATE AMENDMENT NO. 1

Amend Senate Substitute for Senate Committee Substitute for House Committee Substitute for House Bill No. 676, Page 79, Section 130.057, Line 25 of said page, by striking the words "any one" and inserting in lieu thereof the following: "**the applicable**".

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

Senator Caskey offered **SA 2**:

SENATE AMENDMENT NO. 2

Amend Senate Substitute for Senate Committee Substitute for House Committee Substitute for House Bill 676, Page 82, Section 130.057, Line 1, by inserting after all of said line the following:

"205.180. 1. Each candidate for the office of hospital trustee shall file with the county clerk an announcement of candidacy in writing. The announcement shall indicate whether the individual is a candidate for a full or an unexpired term of a named predecessor. No filing fee shall be required to be paid upon the filing of any announcement. **If the number of candidates is no greater than the number of trustees to be elected, no election shall be held, and the candidates shall assume the responsibilities of their offices at the same time and in the same manner as if they had been elected.** If announcements of a sufficient number of trustees are not filed, the county commission shall appoint such trustee or trustees as may be necessary to fill all vacancies on the board which result from the expiration of the term of any trustee

or trustees, **and** any appointee shall serve until the next general election when a trustee shall be elected to fill the remainder of the unexpired term.

2. The ballots shall not contain any designation of the political party affiliation of any candidate for trustees to be elected and shall state whether any of the trustees is to be elected for an unexpired term:

FOR HOSPITAL TRUSTEE

(Vote for .....)

- .....
- .....
- .....
- .....

FOR HOSPITAL TRUSTEE

For unexpired term ending .....

(Vote for .....)

- .....
- .....
- .....
- .....

3. The candidates whose names have been placed on the ballot by the county commission pursuant to sections 205.170 and 205.180 and who receive the highest number of votes for the offices of trustee to be filled shall be declared elected by the county commission which shall issue commissions to the elected trustees."; and

Further amend the title and enacting clause accordingly.

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

Senator Goode offered **SA 3**, which was read:

SENATE AMENDMENT NO. 3

Amend Senate Substitute for Senate Committee Substitute for House Committee Substitute for House Bill No. 676, Page 80, Section 130.057, Lines 3 and 4 of said page, by striking the words "any one" and inserting in lieu thereof the following: "**the applicable**".

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

Senator Flotron offered **SA 4**:

SENATE AMENDMENT NO. 4

Amend Senate Substitute for Senate Committee Substitute for House Committee Substitute for House Bill No. 676, Page 1, Section Title, Line 12, by inserting immediately after the word "subject" the following: ", with penalty provisions"; and

Further amend said bill, page 82, section 1, lines 1-9, by striking all of said lines and inserting in lieu thereof the following:

**"Section 2. Before the ballot is printed, if the title of a ballot issue is identical or substantially identical to the title of another ballot issue that will appear on the same ballot, the election authority shall promptly notify the officer or entity that certifies the election of the identical or substantially identical title, and if such officer or entity submits a new title to the election authority, the election authority may change the title of the ballot issue prior to printing the official ballot."**

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

Senator Flotron offered **SA 5**, which was read:

SENATE AMENDMENT NO. 5

Amend Senate Substitute for Senate Committee Substitute for House Committee Substitute for House Bill No. 676, Page 68, Section 115.647, Line 10, by adding at the beginning of the line "["; and further amend said bill, line 23 at the end, by adding "]""; and further delete all bold language and brackets from this section.

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

Senator Flotron offered **SA 6**, which was read:

SENATE AMENDMENT NO. 6

Amend Senate Substitute for Senate Committee Substitute for House Committee Substitute for House Bill No. 676, Page 50, Section 115.377, Lines 5-7, by striking all of the bold-faced language from said lines.

Senator Flotron moved that the above amendment be adopted.

At the request of Senator Flotron, SA 6 was withdrawn.

President Pro Tem Quick assumed the Chair.

Senator Maxwell offered SA 7:

SENATE AMENDMENT NO. 7

Amend Senate Substitute for Senate Committee Substitute for House Committee Substitute for House Bill No. 676, Page 78, Section 115.785, Line 5, by inserting after said line the following:

"116.030. The following shall be substantially the form of each page of referendum petitions on any law passed by the general assembly of the state of Missouri:

County .....

Page No. ....

It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, for anyone to sign any referendum petition with any name other than his or her own, or knowingly to sign his or her name more than once for the same measure for the same election, or to sign a petition when [he] such person knows he or she is not a registered voter.

PETITION FOR REFERENDUM

To the Honorable ....., Secretary of State for the state of Missouri:

We, the undersigned, registered voters of the state of Missouri and ..... County (or city of St. Louis), respectfully order that the Senate (or House) Bill No. .... entitled (title of law), passed by the ..... general assembly of the state of Missouri, at the ..... regular (or special) session of the ..... general assembly, shall be referred to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the ..... day of ....., [19]....., unless the general assembly shall designate another date, and each for himself or herself says: I have personally signed this petition; I am a registered voter of the state of Missouri and ..... County (or city of St. Louis); my registered voting address and the name of the city, town or village in which I live are

correctly written after my name.

CIRCULATOR'S AFFIDAVIT STATE OF MISSOURI, COUNTY OF ..... I, ....., [a Missouri registered voter and a resident of the state of Missouri,] being first duly sworn, say (print or type names of signers)

REGISTERED VOTING

NAME DATE ADDRESS ZIP CONGR. NAME (Signature) SIGNED (Street) (City, CODE DIST. (Printed or Town or Village) or Typed)

(Here follow numbered lines for signers)

signed this page of the foregoing petition, and each of them signed his or her name thereto in my presence; I believe that each has stated his or her name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and ..... County.

..... Signature of Affiant (Person obtaining signatures)

..... Address of Affiant

Subscribed and sworn to before me this ..... day of ....., A.D. [19]....

..... Signature of Notary Address of Notary

Notary Public (Seal)

My commission expires .....

If this form is followed substantially and the requirements of section 116.050 are met, it shall be sufficient, disregarding clerical and merely technical errors.

116.040. The following shall be substantially the form of each page of each petition for any law or amendment to the Constitution of the State of Missouri proposed by the initiative:

County .....

Page No. ....

It is a class A misdemeanor punishable,

**notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both,** for anyone to sign any initiative petition with any name other than his **or her** own, or knowingly to sign his **or her** name more than once for the same measure for the same election, or to sign a petition when [he] **such person** knows he **or she** is not a registered voter.

INITIATIVE PETITION

To the Honorable ....., Secretary of State for the state of Missouri:

We, the undersigned, registered voters of the state of Missouri and ..... County (or city of St. Louis), respectfully order that the following proposed law (or amendment to the constitution) shall be submitted to the voters of the state of Missouri, for their approval or rejection, at the general election to be held on the ..... day of ....., [19]....., and each for himself **or herself** says: I have personally signed this petition; I am a registered voter of the state of Missouri and ..... County (or city of St. Louis); my registered voting address and the name of the city, town or village in which I live are correctly written after my name.

CIRCULATOR'S AFFIDAVIT STATE OF MISSOURI, COUNTY OF ..... I, ....., [a Missouri registered voter and a resident of the state of Missouri,] being first duly sworn, say (print or type names of signers)

REGISTERED VOTING

NAME	DATE	ADDRESS	ZIP	CONGR.	NAME
(Signature)	SIGNED	(Street)	(City,	CODE	DIST.
		Town or Village)			Typed)

(Here follow numbered lines for signers)

signed this page of the foregoing petition, and each of them signed his **or her** name thereto in my presence; I believe that each has stated his **or her** name, registered voting address and city, town or village correctly, and that each signer is a registered voter of the state of Missouri and ..... County.

.....  
Signature of Affiant

(Person obtaining signatures)

.....  
Address of Affiant

Subscribed and sworn to before me this ..... day of ....., A.D. [19].... .

.....  
Signature of Notary  
Address of Notary

Notary Public (Seal)  
My commission expires .....

If this form is followed substantially and the requirements of section 116.050 **and section 116.080** are met, it shall be sufficient, disregarding clerical and merely technical errors.

116.060. Any registered voter of the state of Missouri may sign initiative and referendum petitions. However, each page of an initiative or referendum petition shall contain signatures of voters from only one county. **Each petition page filed with the secretary of state shall have the county where the signers are registered designated in the upper right-hand corner of such page.** Signatures of voters from counties other than the one designated by the circulator **in the upper right hand corner** on a given page shall not be counted as valid.

116.080. **1.** Each petition circulator [must be a Missouri registered voter and a resident of Missouri.] **shall be at least eighteen years of age and registered with the secretary of state. Signatures collected by any circulator who has not registered with the secretary of state pursuant to this chapter on or before 5:00 p.m. on the final day for filing petitions with the secretary of state shall not be counted.**

**2.** Each petition circulator shall supply the following information to the secretary of state's office:

- (1) Name of petition;
- (2) Name of circulator;
- (3) Residential address, including street number, city, state and zip code;
- (4) Mailing address, if different;

(5) Have you been or do you expect to be paid for soliciting signatures for this petition?

YES  NO;

(6) If the answer to subdivision (5) is yes, then identify the payor;

(7) Signature of circulator.

3. The circulator information required in subsection 2 of this section shall be submitted to the secretary of state's office with the following oath and affirmation:

**I HEREBY SWEAR OR AFFIRM UNDER PENALTY OF PERJURY THAT ALL STATEMENTS MADE BY ME ARE TRUE AND CORRECT.**

4. Each petition circulator shall subscribe and swear to the proper affidavit on each petition page [he] **such circulator** submits before a notary public commissioned in Missouri. When notarizing a circulator's signature, a notary public shall sign his **or her** official signature and affix his **or her** official seal to the affidavit only if the circulator personally appears before the notary and subscribes and swears to the affidavit in his **or her** presence.

5. **Any circulator who falsely swears to a circulator's affidavit knowing it to be false is guilty of a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both.**

116.090. 1. Any person who signs any name other than his own to any petition, or who knowingly signs his **or her** name more than once for the same measure for the same election, or who knows he **or she** is not at the time of signing or circulating the same a Missouri registered voter and a resident of this state, shall, upon conviction thereof, be guilty of a class A misdemeanor **punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both.**

2. Any person who knowingly accepts or

**offers money or anything of value to another person in exchange for a signature on a petition is guilty of a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both.**

116.100. The secretary of state shall not accept any referendum petition submitted later than 5:00 p.m. on the final day for filing referendum petitions. The secretary of state shall not accept any initiative petition submitted later than 5:00 p.m. on the final day for filing initiative petitions. **All pages shall be submitted at one time.** When an initiative or referendum petition is submitted to the secretary of state, the signature pages shall be in order and numbered sequentially by county, except in counties that include multiple congressional districts, the signatures may be ordered and numbered using an alternate numbering scheme approved in writing by the secretary of state prior to submission of the petition. Any petition that is not submitted in accordance with this section, disregarding clerical and merely technical errors, shall be rejected as insufficient. After verifying the count of signature pages, the secretary of state shall issue a receipt indicating the number of pages presented from each county. When a person submits a petition he **or she** shall designate to the secretary of state the name and the address of the person to whom any notices shall be sent under sections 116.140 and 116.180. [No initiative petition shall be accepted by the secretary of state until 8:00 a.m. on the second Tuesday of January in even-numbered years for access to the general election ballot in those years.]

116.110. Any voter who has signed an initiative or referendum petition may withdraw his **or her** signature from that petition by submitting to the secretary of state, before the petition is [certified as sufficient or insufficient, an affidavit] **filed with the secretary of state, a sworn statement** requesting that his **or her** signature be withdrawn[. If the secretary of state receives such an affidavit before the day he certifies the petition he shall strike the signature and not count it.] **and affirming the name of the petition signed, the**

**name the voter used when signing the petition, the address of the voter and the county of residence. It is a class A misdemeanor punishable, notwithstanding the provisions of section 560.021, RSMo, to the contrary, for a term of imprisonment not to exceed one year in the county jail or a fine not to exceed ten thousand dollars or both, to knowingly file a false withdrawal statement with the secretary of state.**

116.120. 1. When an initiative or referendum petition is submitted to the secretary of state, he **or she** shall examine the petition to determine whether it complies with the Constitution of Missouri and with this chapter. **Signatures on petition pages that have been collected by any person who is not properly registered with the secretary of state as a circulator shall not be counted as valid. Signatures on petition pages that do not have the official ballot title affixed to the page shall not be counted as valid.** The secretary of state may verify the signatures on the petition by use of random sampling. The random sample of signatures to be verified shall be drawn in such a manner that every signature **properly** filed with the secretary of state shall be given an equal opportunity to be included in the sample. **The process for establishing the random sample and determining the statistically valid result shall be established by the secretary of state.** Such a random sampling shall include an examination of five percent of the signatures.

2. If the random sample verification establishes that the number of valid signatures is less than ninety percent of the number of qualified voters needed to find the petition sufficient in a congressional district, the petition shall be deemed to have failed to qualify in that district. In finding a petition insufficient, the secretary of state does not need to verify all congressional districts on each petition submitted if verification of only one or more districts establishes the petition as insufficient.

3. If the random sample verification establishes that the number of valid signatures total more than one hundred ten percent of the number of qualified voters needed to find the petition sufficient in a congressional district, the petition shall be deemed

to qualify in that district.

4. If the random sampling shows the number of valid signatures within a congressional district is within ninety to one hundred ten percent of the number of signatures of qualified voters needed to declare the petition sufficient in that district, the secretary of state shall order the examination and verification of each signature filed.

116.130. 1. The secretary of state may send copies of petition pages to election authorities to verify that the persons whose names are listed as signers to the petition are registered voters. Such verification may either be of each signature or by random sampling as provided in section 116.120, as the secretary shall direct. If copies of the petition pages are sent to an election authority for verification, such copies shall be sent [not later than two weeks after the petition is submitted if the election authority is to verify each signature and not later than three weeks after the petition is submitted if verification is to occur by random sampling as provided in section 116.120] **pursuant to the following schedule:**

**(1) Copies of all pages from not less than one petition shall be received in the office of the election authority not later than two weeks after the petition is filed in the office of secretary of state;**

**(2) Copies of all pages of a total of three petitions shall be received in the office of the election authority not later than three weeks after the petition is filed in the office of the secretary of state;**

**(3) If more than three petitions are filed, all copies of petition pages, including those petitions selected for verification by random sample pursuant to section 116.120, shall be received in the office of the election authority not later than the fourth week after the petition is filed in the office of the secretary of state.**

Each election authority shall check the signatures against voter registration records in the election authority's jurisdiction, but the election authority shall count as valid only the signatures of persons registered as voters in the county named in the circulator's affidavit. **Signatures shall not be counted as valid if they have been struck**



**through or crossed out.**

2. If the election authority is requested to verify the petition by random sampling, such verification [must] **shall** be completed and certified not later than two weeks from the date **that** the election authority receives the petition from the secretary of state. If the election authority is to verify each signature, such verification must be completed, certified and delivered to the secretary of state by 5:00 p.m. on the [eleventh] **last Tuesday in July** prior to the election, **or in the event of complete verification of signatures after a failed random sample, full verification shall be completed, certified and delivered to the secretary of state by 5:00 p.m. on the last Tuesday in July or by 5:00 p.m. on the Friday of the fifth week after receipt of the signatures by the local election authority, whichever is later.**

[2.] 3. If the election authority or the secretary of state determines that the congressional district number written after the signature of any voter is not the congressional district of which the voter is a resident, the election authority or the secretary of state shall correct the congressional district number on the petition page. Failure of a voter to give the voter's correct congressional district number shall not by itself be grounds for not counting the voter's signature.

[3.] 4. The election authority shall return the copies of the petition pages to the secretary of state with annotations regarding any invalid or questionable signatures which the election authority has been asked to check by the secretary of state. The election authority shall verify the number of pages received for that county, and also certify the total number of valid signatures of voters from each congressional district which the election authority has been asked to check by the secretary of state.

[4.] 5. The secretary of state is authorized to adopt rules to ensure uniform, complete, and accurate checking of petition signatures either by actual count or random sampling. No rule or portion of a rule promulgated [under the authority of] **pursuant to** this section shall become effective unless it has been promulgated pursuant to the provisions of section 536.024, RSMo.

[5.] 6. After a period of three years from the time of submission of the petitions to the secretary of state, the secretary of state, if the secretary determines that retention of such petitions is no longer necessary, may destroy such petitions [or return them to the person submitting them upon written request from such person. Returned petitions shall be stamped by the secretary of state to indicate that such petitions are no longer valid].

116.150. 1. After the secretary of state makes [his] a determination on the sufficiency of the petition and if [he] **the secretary of state** finds it sufficient, [he] **the secretary of state** shall issue a certificate setting forth that the petition contains a sufficient number of valid signatures to comply with the Constitution of Missouri and with this chapter.

2. The secretary of state shall issue a certificate only for a petition approved pursuant to section 116.332. If the secretary of state finds the petition insufficient, [he] **the secretary of state** shall issue a certificate stating the reason for the insufficiency.

3. **The secretary of state shall issue a certificate pursuant to this section not later than 5:00 p.m. on the thirteenth Tuesday prior to the general election or two weeks after the date the election authority certifies the results of a petition verification pursuant to subsection 2 of section 116.130, whichever is later.**

116.155. 1. **The general assembly may include the official summary statement and a fiscal note summary in any statewide ballot measure that it refers to the voters.**

2. **The official summary statement approved by the general assembly shall, taken together with the approved fiscal note summary, be the official ballot title and such summary statement shall contain no more than fifty words, excluding articles. The title shall be a true and impartial statement of the purposes of the proposed measure in language neither intentionally argumentative nor likely to create prejudice either for or against the proposed measure.**

3. **The fiscal note summary approved by the general assembly shall contain no more than**

**fifty words, excluding articles, which shall summarize the fiscal note prepared for the measure in language neither argumentative nor likely to create prejudice for or against the proposed measure.**

116.160. 1. [After] **If** the general assembly adopts a joint resolution proposing a constitutional amendment or a bill **without a fiscal note summary**, which is to be referred to a vote of the people [and it has been delivered to the secretary of state], **after receipt of such resolution or bill** the secretary of state shall promptly forward the resolution or bill to the state auditor. **If the general assembly adopts a joint resolution proposing a constitutional amendment or a bill without an official summary statement, which is to be referred to a vote of the people**, within twenty days after receipt of the resolution or bill, the secretary of state shall prepare and transmit to the attorney general a summary statement of the measure **as the proposed summary statement**. The secretary of state may seek the advice of the legislator who introduced the constitutional amendment or bill and the speaker of the house or the president pro tem of the legislative chamber that originated the measure. The summary statement may be distinct from the legislative title of the proposed constitutional amendment or bill. The attorney general shall within ten days approve the legal content and form of the proposed statement.

2. The official summary statement shall contain no more than fifty words, **excluding articles**. The title shall be a true and impartial statement of the purposes of the proposed measure in language neither intentionally argumentative nor likely to create prejudice either for or against the proposed measure.

116.170. [After] **If** the general assembly adopts a joint resolution proposing a constitutional amendment or a bill **without a fiscal note summary**, which is to be referred to a vote of the people [and it has been delivered to the state auditor], the state auditor shall, within thirty days **of delivery to the auditor**, prepare and file with the secretary of state a fiscal note and a fiscal note summary for the proposed measure in accordance with the provisions of section 116.175.

116.175. 1. **Except as provided in section 116.155**, upon receipt from the secretary of state's office of any petition sample sheet, joint resolution or bill, the auditor shall assess the fiscal impact of the proposed measure. The state auditor may consult with the state departments, local government entities, the general assembly and others with knowledge pertinent to the cost of the proposal. Proponents or opponents of any proposed measure may submit to the state auditor a proposed statement of fiscal impact estimating the cost of the proposal in a manner consistent with the standards of the governmental accounting standards board and section 23.140, RSMo, provided that all such proposals are received by the state auditor within ten days of his or her receipt of the proposed measure from the secretary of state.

2. Within twenty days of receipt of a petition sample sheet, joint resolution or bill from the secretary of state, the state auditor shall prepare a fiscal note and a fiscal note summary for the proposed measure and forward both to the attorney general.

3. The fiscal note and fiscal note summary shall state the measure's estimated cost or savings, if any, to state or local governmental entities. The fiscal note summary shall contain no more than fifty words, **excluding articles**, which shall summarize the fiscal note in language neither argumentative nor likely to create prejudice either for or against the proposed measure.

4. The attorney general shall, within ten days of receipt of the fiscal note and the fiscal note summary, approve the legal content and form of the fiscal note summary prepared by the state auditor and shall forward notice of such approval to the state auditor.

116.180. Within three days after receiving the official summary statement the approved fiscal note summary and the fiscal note relating to any statewide ballot measure [from the state auditor], the secretary of state shall certify the official ballot title in separate paragraphs with the fiscal note summary immediately following the summary statement of the measure and shall deliver a copy of the official ballot title and the fiscal note to the speaker of the house or the president pro tem of the legislative chamber that originated the measure or,

in the case of initiative or referendum petitions, to the person whose name and address are designated under section 116.332. Persons circulating the petition shall affix the official ballot title to each page of the petition prior to circulation and signatures shall not be counted if the official ballot title is not affixed to the page containing such signatures.

116.190. 1. Any citizen who wishes to challenge the official ballot title or the fiscal note prepared for a proposed constitutional amendment submitted by the general assembly, by initiative petition, or by constitutional convention, or for a statutory initiative or referendum measure, may bring an action in the circuit court of Cole County. The action must be brought within ten days after the official ballot title is certified by the secretary of state in accordance with the provisions of this chapter.

2. The secretary of state shall be named as a party defendant in any action challenging the official ballot title **prepared by the secretary of state**. When the action challenges the fiscal note or the fiscal note summary **prepared by the auditor**, the state auditor shall also be named as a party defendant. **The president pro tem of the senate, the speaker of the house and the sponsor of the measure and the secretary of state shall be the named party defendants in any action challenging the official summary statement, fiscal note or fiscal note summary prepared pursuant to section 116.155.**

3. The petition shall state the reason or reasons why the official ballot title is insufficient or unfair and shall request a different official ballot title.

4. The action shall be placed at the top of the civil docket. The court shall consider the petition, hear arguments, and in its decision certify the official ballot title to the secretary of state. Any party to the suit may appeal to the supreme court within ten days after a circuit court decision. In making the legal notice to election authorities under section 116.240, the secretary of state shall certify the language which the court certifies to him.

116.220. The secretary of state shall label statutory initiative and referendum measures

alphabetically in the order in which they are submitted by petition **or in the order in which they are passed by the general assembly**. [He] **The secretary of state** shall label the first as "Proposition A", and so on consecutively through the letter Z, and then begin labeling as "Proposition AA" and so on. A new series of letters shall be started after each general election. **In the event a measure is labeled prior to, but not voted on at, the next succeeding general election, the letter assigned to such measure shall not be reassigned until after such measure has been voted on by the people.**"; and

Further amend said bill, page 84, section 115.780, line 12, by inserting immediately after said line the following:

"Section B. Because of the immediate need to ensure proper ballot measure procedures, sections 116.030, 116.040, 116.060, 116.080, 116.090, 116.100, 116.110, 116.120, 116.130, 116.150, 116.155, 116.160, 116.170, 116.175, 116.180, 116.190 and 116.220 are deemed necessary for the immediate preservation of the public health, welfare, peace and safety, and are hereby declared to be an emergency act within the meaning of the constitution, and sections 116.030, 116.040, 116.060, 116.080, 116.090, 116.100, 116.110, 116.120, 116.130, 116.150, 116.155, 116.160, 116.170, 116.175, 116.180, 116.190 and 116.220 shall be in full force and effect upon its passage and approval."; and

Further amend the title and enacting clause accordingly.

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

Senator Flotron offered **SA 8**:

#### SENATE AMENDMENT NO. 8

Amend Senate Substitute for Senate Committee Substitute for House Committee Substitute for House Bill No. 676, Page 82, Section 3, Line 19, by inserting immediately after said line the following:

**"Section 4. The position of director of electronic information systems within the Missouri ethics commission shall, at a minimum, have a baccalaureate degree from an**

accredited institution of higher education with a major in computer science, computer engineering or computer programming. In addition to the baccalaureate degree, the director shall have appropriate work experience in the field of computer science, computer engineering or computer programming. The director shall be employed pursuant to subsection 11 of section 105.955, RSMo. The director shall administer and be responsible for the establishment, implementation and maintenance of computer systems, electronic reporting and other electronic information and communication systems as may be required pursuant to the authority and requirements of the Missouri ethics commission."; and

Further amend the title and enacting clause accordingly.

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

Senator Schneider offered **SA 9**:

**SENATE AMENDMENT NO. 9**

Amend Senate Substitute for Senate Committee Substitute for House Committee Substitute for House Bill No. 676, Page 27, Section 115.158, Line 7, by inserting at the end of said line the following:

**"5. Any rule or portion of a rule, as that term is defined in section 536.010, RSMo, 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, RSMo, and, if applicable, section 536.028, RSMo. All rulemaking authority delegated prior to August 28, 1999, is of no force and effect and repealed. Nothing in this section shall be interpreted to repeal or affect the validity of any rule filed or adopted prior to August 28, 1999, if it fully complied with all applicable provisions of law. This section and chapter 536, RSMo, are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536, RSMo, 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, 1999, shall be invalid and void.";** and

Further amend the title and enacting clause accordingly.

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

Senator Schneider offered **SA 10**:

**SENATE AMENDMENT NO. 10**

Amend Senate Substitute for Senate Committee Substitute for House Committee Substitute for House Bill No. 676, Pages 11-13, Section 115.065, by striking all of said section; and

Further amend the title and enacting clause accordingly.

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

Senator Ehlmann offered **SA 11**, which was read:

**SENATE AMENDMENT NO. 11**

Amend Senate Substitute for Senate Committee Substitute for House Committee Substitute for House Bill No. 676, Pages 72-74, Section 115.770, Lines 25-55, by deleting the underlined material in those lines; and

Further amend page 72, by deleting the brackets on lines 12, 18 and 25.

Senator Ehlmann moved that the above amendment be adopted.

Senator Mathewson assumed the Chair.

At the request of Senator Stoll, **HCS** for **HB 676**, with **SCS**, **SS** for **SCS** and **SA 11** (pending), was placed on the Informal Calendar.

**THIRD READING OF SENATE BILLS**

**SS** for **SCS** for **SBs 75, 381** and **204** was placed on the Informal Calendar.

**SS No. 2** for **SB 336**, introduced by Senator Caskey, entitled:

**SENATE SUBSTITUTE NO. 2 FOR  
SENATE BILL NO. 336**

An Act to amend chapter 375, RSMo, by adding thereto one new section relating to contracts

of personal liability insurance.

Was taken up.

On motion of Senator Caskey, **SS No. 2** for **SB 336** was read the 3rd time and passed by the following vote:

YEAS—Senators

Banks	Bentley	Caskey	Childers
Clay	DePasco	Ehlmann	Flotron
Goode	Graves	Howard	Kenney
Klarich	Mathewson	Mueller	Quick
Rohrbach	Russell	Schneider	Scott
Sims	Staples	Stoll	Westfall
Wiggins	Yeckel—26		

NAYS—Senators

Bland	House	Jacob	Maxwell
Singleton	Steelman—6		

Absent—Senators

Johnson	Kinder—2
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Absent with leave—Senators—None

The President declared the bill passed.

On motion of Senator Caskey, title to the bill was agreed to.

Senator Caskey moved that the vote by which the bill passed be reconsidered.

Senator DePasco 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:

Mr. 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 **HS** for **SB 310**, as amended, and has taken up and passed **CCS** for **HS** for **SB 310**.

Bill ordered enrolled.

Also,

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House refuses to adopt **SS** for **SCS** for **HS** for **HB 450**, as

amended, and requests the Senate to recede from its position and failing to do so, grant the House a conference thereon.

Also,

Mr. President: I am instructed by the House of Representatives to inform the Senate that the Speaker has reappointed the following conferees to act with a like committee from the Senate on **HCS** for **SCS** for **SBs 31** and **285**: Representatives Seigfreid, Days, Backer, Long and Hendrickson.

Also,

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House refuses to adopt **SCS** for **HCS** for **HB 139**, as amended, and requests the Senate to recede from its position and failing to do so, grant the House a conference thereon, and the conferees are allowed to exceed the differences on **SA 6**.

Also,

Mr. President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and passed **HCS** for **SCS** for **SB 386**, entitled:

An Act to repeal sections 362.247, 362.680, 362.925, 362.930, 365.010, 365.020, 370.107, 374.070, 456.040, 475.092 and 511.030, RSMo 1994, and sections 143.471, 362.077, 362.275, 362.550, 362.610, 374.205, 400.3-312, 456.520, 475.093, 483.310 and 620.010, RSMo Supp. 1998, relating to financial institutions, and to enact in lieu thereof thirty-seven new sections relating to the same subject, with penalty provisions and with an emergency clause for certain sections.

With House Amendments Nos. 1, House Amendment No. 1 to House Amendment No. 2, House Amendment No. 2, as amended, House Amendments Nos. 3, 4, 5 and 7.

#### HOUSE AMENDMENT NO. 1

Amend House Committee Substitute for Senate Committee Substitute for Senate Bill No. 386, Page 1, In the title, Line 5, by deleting the word "thirty-seven" and inserting in lieu thereof the word "**twenty-six**"; and

Further amend said substitute, section A, lines

3 and 4, by deleting the word "thirty-four" and inserting in lieu thereof the word "twenty-three"; and

Further amend said section, lines 6 and 7, by deleting the following "1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11," and inserting in lieu thereof the following "**1 and 2**"; and

Further amend said substitute, pages 28 through 38, by deleting the following "Sections 1 through 11".

#### HOUSE AMENDMENT NO. 2

Amend House Committee Substitute for Senate Committee Substitute for Senate Bill No. 386, Page 1, In the Title, Line 2, by inserting after the word "sections" the number "95.530,"; and

Further amend said bill, Page 1, In the Title, Line 5, by deleting the word "thirty-seven" and inserting in lieu thereof the word "thirty-eight"; and

Further amend said bill, Page 1, Section A, Line 1, by inserting after the word "Sections" the number "95.530,"; and

Further amend said bill, Page 1, Section A, Lines 3 and 4, by deleting the word "thirty-four" and inserting in lieu thereof the word "thirty-five"; and

Further amend said bill, Page 1, Section A, Line 4, by inserting immediately before the number "143.471," the number "95.530,"; and

Further amend said bill, Page 1, Section A, Line 7, by inserting after all of said line the following:

"95.530. In all cities not within a county, the mayor, the comptroller and the treasurer shall constitute the funds committee, and the treasurer, by virtue of his office, shall serve as chairman of such committee. The committee shall annually select a bank or banks, or trust company or trust companies, or credit union or credit unions, savings and loan or savings and loans, which has its principal place of business in Missouri referred to hereafter as "listed institutions", for the current deposit of the city's funds, which in their opinion will be most commensurate with the safety thereof. The treasurer, as chairman, shall supervise the

business of the committee and maintain records of committee proceedings, and shall call annual meetings or any other meeting as often as the business of the city may require. The treasurer shall be a member of any financial planning or decision making body or committee furthering the needs of the city's financial business, except the legislative and appropriating bodies. The treasurer, by virtue of his office, shall sit on any committee or group which deals with the issuance of bonds of the city or any agency or instrumentality thereof. The treasurer shall serve as the chief investment and cash management officer of the city and, as such, act as the sole investment authority on any investments of public funds held by the city or any instrumentality thereof, including funds derived from proceeds from the issuance of bonds and funds from proceeds from lease/purchase agreements. Such investments shall be made in a manner consistent with investment policies approved by the funds commission, and with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of capital and income to be derived. The treasurer shall ensure the safety of all funds held by the city or any instrumentalities thereof and, upon the approval of the funds commission and reasonable notice, may assume control of any accounts not managed in compliance with state law, serve as the custodian of any funds held in such accounts and take any other measures reasonably required to ensure the preservation of public funds and compliance with applicable law. The funds commission, also known as the "funds committee", shall approve all financial institutions for any banking services required by the city pursuant to investment policies and evaluation criteria set by the treasurer and approved by the funds commission. At least once per year, the treasurer and the city's external auditors shall report to the comptroller on the city's compliance with this section. Any state or municipally created agency [or], city-wide elected officials **or any instrumentality thereof** working in cooperation with the city in the collection, management,

investment or disbursement of governmental funds, shall annually report a listing of all listed institutions accounts, including a list of all pledged collateral, to the fund committee. **Any financial institution acting as a depository or custodian of public funds for any state or municipally created agency, city-wide elected official or any instrumentality thereof working in the collection, management, investment or disbursement of governmental funds shall annually report to the funds committee.** Such agencies, elected officials and [agencies] instrumentalities shall, during the interim period, report any change or transfer or establishment of new accounts or changes in collateral to the fund committee within ten days of doing so. **Financial institutions, when requested by the funds committee, shall verify such information.** Before any deposit shall be made by the treasurer in any listed institution, the institution shall give a bond in an amount equal to the deposit, with good and sufficient sureties, to be approved by the unanimous vote of the members of the funds committee, for the safekeeping and prompt payment of such funds, or any part thereof, when demanded by the treasurer, and shall at all times keep the sureties on such bond satisfactory to the funds committee. In lieu of or in addition to such bond, listed institutions may, with the unanimous consent of the members of the funds committee, deposit with the treasurer of such city or with some other mutually satisfactory depository in such city, in escrow, bonds or treasury certificates of the United States or other interest-bearing obligations guaranteed as to both principal and interest by the United States or agency or instrumentality thereof in accordance with the approved collateral securities maintained and approved by the state treasurer, or bonds of the state of Missouri or of any city not within a county, of a par value equal to the amount of such deposit, or any part of such deposit not protected by such bond. The securities so deposited shall, in case of default by any such listed institution, be taken possession of by the funds committee, and to the extent required to make good such default, be sold for the benefit of such city. Any securities so deposited may, with the unanimous consent of the members of the funds

committee, be withdrawn, and others of equal value and amount substituted therefor. As the amount of such funds on deposit is reduced, listed institutions, when not in default, shall be permitted to withdraw the excess of collateral, except that there shall at no time be a less amount in par value of collateral than the amount at such time of deposits. The securities so deposited or any substitute therefor, shall, upon default, be exhausted before recourse shall be had against the securities upon any bond executed by listed institutions for the protection of such deposits. In lieu of or in addition to such deposit of city funds in listed institutions, the treasurer may invest funds belonging to such city and not immediately needed for the purpose to which such funds or any of them may be applicable, in [obligations of the United States government or any agency or instrumentality thereof, or bonds of the state of Missouri, any city not within a county, or time certificates of deposit, except that no such bonds or treasury certificates of the United States or bonds of the state of Missouri, any city not within a county, or time certificates of deposit shall be purchased by the treasurer at any time at a price in excess of the par value thereof] **accordance with section 15, article IV of the Missouri Constitution.** In addition, the treasurer may enter into repurchase agreements maturing and becoming payable within ninety days secured by United States Treasury obligations or obligations of the United States government agencies or instrumentalities of any maturity as provided by law."

HOUSE AMENDMENT NO. 1 FOR  
HOUSE AMENDMENT NO. 2

Amend House Committee Substitute for Senate Committee Substitute for Senate Bill No. 386, Page 4, Section 95.530, Line 7, by inserting immediately after the word "funds" the following:

**"for a city located not within a county".**

HOUSE AMENDMENT NO. 3

Amend House Committee Substitute for Senate Committee Substitute for Senate Bill No. 386, Section 1, by inserting after all of said line the following:

**"Section 2. Prior to implementing any plan**

**to allow state lottery prize winners who are currently receiving annuity payments to receive a single cash payment in lieu of remaining annuity payments, the state lottery commission shall submit to the president pro tempore of the senate, the speaker of the house of representatives, and the commissioner of the office of administration the details of the plan and its estimated effect on the level of total state revenues as defined in article X, section 17 of the Missouri constitution as well as the benefits of allowing financial institutions which are FDIC-insured to participate in such plan. No such plan which permits the option of receiving a single cash payment in lieu of remaining annuity payments shall be implemented unless approved by the general assembly by concurrent resolution and submitted to the governor in accordance with the provisions of article IV, section 8 of the Missouri constitution.";** and

Further amend the title and enacting clause accordingly.

#### HOUSE AMENDMENT NO. 4

Amend House Committee Substitute for Senate Committee Substitute for Senate Bill No. 386, Page 15, Section 374.070, Lines 7 and 8, by deleting the brackets from said lines.

#### HOUSE AMENDMENT NO. 5

Amend House Committee Substitute for Senate Committee Substitute for Senate Bill No. 386, Page 4, Section 143.171, Line 99, by adding after all of said line the following:

"164.161. [1.] The loans authorized by sections 164.121 to 164.141 shall not be contracted for a longer period than twenty years, and the entire amount of the loans shall at no time exceed, including the present indebtedness of the district, [in] the **maximum** aggregate [ten percent] **percentage, as set forth in Article VI, Section 26(b) of the Missouri Constitution,** of the value of taxable tangible property therein as shown by the last completed assessment for state and county purposes. The rate of interest upon the bonds shall, in no case, exceed the highest legal rate allowed by contract. Before or at the time of issuing the bonds, the board of directors shall provide for the

collection of an annual tax sufficient to pay the interest and principal of the bonds as they fall due, and to retire them within twenty years from date contracted.

[2. Bonds of an urban district shall be disposed of at the best price obtainable, not less than ninety-five percent of the par value thereof.]

165.051. If any school district has money in the teachers', incidental, capital projects or debt service fund not needed within a reasonable period of time for the purpose for which the money was received, the school board in the district, if it deems it advisable, may invest the funds in either open time deposits or certificates of deposit secured under the provisions of sections 110.010 and 110.020, RSMo; or in bonds, redeemable at maturity at par, of the state of Missouri, of the United States, or of any wholly owned corporation of the United States; or in other short term obligations of the United States, [including] **or in** any instrument permitted by law for the investment of state moneys. No open time deposits shall be made or bonds purchased to mature beyond the date that the funds are needed for the purpose for which they were received by the school district. Interest accruing from the investment of the surplus funds in such deposits or bonds shall be credited to the fund from which the money was invested."; and

Further amend the title and enacting clause accordingly.

#### HOUSE AMENDMENT NO. 7

Amend House Committee Substitute for Senate Committee Substitute for Senate Bill No. 386, by repealing sections 375.1205, 375.1220, 379.316, 379.321, 379.425 and 379.888, and enacting in lieu thereof the following:

"375.1205. 1. Within one year of a final [determination of insolvency] **order of liquidation** of an insurer by a court of competent jurisdiction of this state, the liquidator [may] **shall** make application to the court for approval of a proposal to [disburse assets out of marshaled assets, from time to time as such assets become available,] **make early access disbursements out of marshaled assets** to a guaranty association or foreign guaranty association having obligations



because of such insolvency. [If the liquidator determines that there are insufficient assets to disburse, the application required by this section shall be considered satisfied by a filing by the liquidator stating the reasons for this determination.]

2. Such proposal shall at least include provisions for:

(1) Reserving amounts for the payment of expenses of administration and the payment of claims of secured creditors, to the extent of the value of the security held, and claims falling within [classes 1 and 2] **priority class I** as established in section 375.1218;

(2) **Initial** disbursement of the assets marshaled to date, **which shall be as soon as practicable and in any case not later than one hundred twenty days after the approval of the early access plan**, and subsequent disbursement of assets [as they become available] **which shall be at least annually**;

(3) [Equitable allocation of disbursements to each of the guaranty associations and foreign guaranty associations entitled thereto;

(4) The securing by the liquidator from each of the guaranty associations or foreign guaranty associations entitled to disbursements pursuant to this section of an agreement to return to the liquidator such assets, together with income earned on assets previously disbursed, as may be required to pay claims of secured creditors and claims falling within the priorities established in [section] **sections 375.700 and 375.1218** in accordance with such priorities. [A] No bond or indemnity agreement shall be required of any such association; [and

(5) (4) A full report to be made by each guaranty association or foreign guaranty association to the liquidator accounting for all assets so disbursed to the association, all disbursements made therefrom, any interest earned by the association on such assets and any other matter as the court may direct[.]; and

(5) Disbursements to guaranty associations in sums as large as possible, subject to the limitations set forth in subdivision (1) of this subsection and

subsection 4 of this section. If the liquidator determines that there are insufficient assets to disburse at the time of any required disbursement, the liquidator shall make application to the court, with notice to the state insurance commissioners and guaranty associations pursuant to subsection 6 of this section, for approval of an intent not to disburse, stating the reasons for such determination.

3. [The liquidator's proposal may provide for disbursements to the guaranty association or foreign guaranty associations in amounts estimated at least equal to the claims payments made or to be made thereby for which such associations could successfully assert a claim against the liquidator, and shall further provide that if the assets available for disbursement from time to time do not equal or exceed the amount of such claim payments made or to be made by the association, then disbursements shall be in the amount of available assets.] **Subject only to the provisions of subdivision (4) of subsection 2 of this section, guaranty associations shall not be charged interest on assets disbursed pursuant to this section.**

**4. The liquidator's proposal shall provide for disbursements to each guaranty association of foreign guaranty associations in amounts at least equal to the sum of claims payments and allocated lost adjustment expenses of each guaranty association, and a reasonable estimate of reserves for unpaid but known loss claims and allocated loss adjustment expenses expected to be paid within one year by each guaranty association. Amounts used for such calculation shall be those reported to the liquidator by each guaranty association in its most recent financial report to the liquidator. The liquidator's proposal shall further provide that if the assets available for required disbursements do not equal or exceed the amount of such claim payments to be made by the association, the required disbursements may be in the amount of available assets. Unless otherwise provided by the court, the reserves of the insolvent insurer, as reflected in its records or in the financial examination leading to the finding of insolvency, on the date of the final order of liquidation, shall be used to determine the initial**

**disbursement to the guaranty associations. The liquidator shall liquidate the assets of the insurer in an expeditious manner, but is not required to make forced or quick sales that would result in obtaining less than market value for assets.**

[4.] **5.** The liquidator's proposal shall, with respect to an insolvent insurer writing life or health insurance or annuities, provide for disbursements of assets to any guaranty association or any foreign guaranty association covering life or health insurance or annuities or to any other entity or organization reinsuring, assuming or guaranteeing policies or contracts of insurance [under] **pursuant** to the laws creating such associations.

[5.] **6.** Notice of [such] **each** application shall be given to [the] **each** guaranty association or foreign guaranty associations in and to the commissioners of the insurance departments of each of the involved states. Any such notice shall be deemed to have been given when deposited in the United States mail, certified delivery, first class postage prepaid, at least thirty days prior to submission of such application to the court. Action on the application may be taken by the court provided the above required notice has been given [and provided further that the liquidator's proposal complies with subdivisions (1) and (2) of subsection 2 of this section].

**7. The liquidator shall not offset the amount to be disbursed to a guaranty association or a foreign guaranty association by the amount of any special deposit or any other statutory deposit or asset of the insolvent insurer held in this state or another state unless such deposit has been forwarded to the guaranty association.**

375.1220. 1. The liquidator shall review all claims duly filed in the liquidation and shall make such further investigation as [he] **the liquidator** shall deem necessary. [He] **The liquidator** may compound, compromise or in any other manner negotiate the amount for which claims will be allowed, under the supervision of the court, except where the liquidator is required by law to accept claims as settled by any person or organization. Unresolved disputes shall be determined [under] **pursuant to** section 375.1214. No claim under a

policy of insurance shall be allowed for any amount in excess of the applicable policy limits or without regard to policy deductibles.

2. If the fixing or liquidation of any claim or claims would unduly delay the administration of the liquidation or if the administrative expense of processing and adjudication of a claim or group of claims of a similar type would be unduly excessive when compared with the moneys which are estimated to be available for distribution with respect to such claim or group of claims, the determination and allowance of such claim or claims may be made by an estimate. Any such estimate shall be based upon an actuarial evaluation made with reasonable actuarial certainty or upon another accepted method of valuing claims with reasonable certainty.

**3. The estimation of contingent liabilities permitted by subsection 2 of this section or any other section of this chapter may be used for the purpose of fixing a creditor's claim in the estate, and for determining the percentage of partial or final divided payments to be paid to creditors with reported allowed claims. However, nothing in subsection 2 of this section or any other section in this chapter shall be construed as authorizing the receiver, or any other entity, to compel payment from a reinsurer on the basis of estimated incurred but not reported losses and, except with respect to claims made pursuant to section 375.1212, outstanding reserves. Nothing in this subsection shall be construed to impair any obligation arising pursuant to any insurance agreement.**

4. Notwithstanding the provisions of this section or any other section of this chapter to the contrary, the liquidator may negotiate a voluntary commutation and release of all obligations arising from reinsurance contracts or other agreements.

**5. The provisions of this section shall not apply to and have no force and effect regarding any formal delinquency proceeding in which, prior to the effective date of this act, the court in which such proceeding was or is pending issued any order or decree construing or applying the provisions.**

379.316. 1. Section 379.017 and sections 379.316 to 379.361 apply to insurance companies incorporated [under] **pursuant to** sections 379.035 to 379.355, section 379.080, sections 379.060 to 379.075, sections 379.085 to 379.095, sections 379.205 to 379.310, and to insurance companies of a similar type incorporated [under] **pursuant to** the laws of any other state of the United States, and alien insurers licensed to do business in this state, which transact fire and allied lines, marine and inland marine insurance, to any and all combinations of the foregoing or parts thereof, and to the combination of fire insurance with other types of insurance within one policy form at a single premium, on risks or operations in this state, except:

(1) Reinsurance, other than joint reinsurance to the extent stated in section 379.331;

(2) Insurance of vessels or craft, their cargoes, marine builders' risks, marine protection and indemnity, or other risks commonly insured [under] **pursuant to** marine, as distinguished from inland marine, insurance policies;

(3) Insurance against loss or damage to aircraft;

(4) All forms of motor vehicle insurance; and

(5) All forms of life, accident and health, and workers' compensation insurance.

2. Inland marine insurance shall be deemed to include insurance now or hereafter defined by statute, or by interpretation thereof, or if not so defined or interpreted, by ruling of the director, or as established by general custom of the business, as inland marine insurance.

**3. Commercial property and commercial casualty insurance policies which meet the exemption requirements of section 379.362 shall be exempt from those insurance laws of this state which concern the regulation by the director of the department of insurance of the policy language, policy provisions or the format of such policies, or the regulation of the rates used to calculate the amount of premium charged.**

379.321. 1. Every insurer shall file with the director, except as to **commercial property or commercial casualty insurance as provided in subsection 6 of this section and as to** inland marine risks which by regulation or general custom of the business are not written according to manual rates or rating plans, every manual of classifications, rules, underwriting rules and rates, every rating plan and every modification of the foregoing which it uses and the policies and forms to which such rates are applied. Any insurer may satisfy its obligation to make any such filings by becoming a member of, or a subscriber to, a licensed rating organization which makes such filings and by authorizing the director to accept such filings on its behalf, provided that nothing contained in section 379.017 and sections 379.316 to 379.361 shall be construed as requiring any insurer to become a member of or a subscriber to any rating organization or as requiring any member or subscriber to authorize the director to accept such filings on its behalf. Filing with the director by such insurer or licensed rating organization within ten days after such manuals, rating plans or modifications thereof or policies or forms are effective shall be sufficient compliance with this section.

2. Except as to **commercial property or commercial casualty insurance as provided in subsection 6 of this section and as to** contracts or policies for inland marine risks as to which filings are not required, no insurer shall make or issue a policy or contract except [in accordance with] **pursuant to** filings which are in effect for that insurer or [in accordance with the provisions of] **pursuant to** section 379.017 and sections 379.316 to 379.361. Any rates, rating plans, rules, classifications or systems, in effect on August 13, 1972, shall be continued in effect until withdrawn by the insurer or rating organization which filed them.

3. Upon the written application of the insured, stating his **or her** reasons therefor, filed with the insurer, a rate in excess of that provided by a filing otherwise applicable may be used on any specific risk.

4. Every insurer which is a member of or a

subscriber to a rating organization shall be deemed to have authorized the director to accept on its behalf all filings made by the rating organization which are within the scope of its membership or subscribership, provided:

(1) That any subscriber may withdraw or terminate such authorization, either generally or for individual filings, by written notice to the director and to the rating organization and may then make its own independent filings for any kinds of insurance, or subdivisions, or classes of risks, or parts or combinations of any of the foregoing, with respect to which it has withdrawn or terminated such authorization, or may request the rating organization, within its discretion, to make any such filing on an agency basis solely on behalf of the requesting subscriber; **and**

(2) That any member may proceed in the same manner as a subscriber unless the rating organization shall have adopted a rule, with the approval of the director:

(a) Requiring a member, before making an independent filing, first to request the rating organization to make such filing on its behalf and requiring the rating organization, within thirty days after receipt of such request, either:

a. To make such filing as a rating organization filing[, or];

b. To make such filing on an agency basis solely on behalf of the requesting member[.]; or

c. To decline the request of such member; and

(b) Excluding from membership any insurer which elects to make any filing wholly independently of the rating organization.

5. Any change in a filing made [under the provisions of] **pursuant to** this section during the first six months of the date [said] **such** filing becomes effective shall be approved or disapproved by the director within ten days following [his] **the director's** receipt of notice of such proposed change.

**6. Commercial property and commercial casualty insurance policies which meet the exemption requirements of section 379.362 shall adhere to the filing requirements of this section,**

**provided however, that the filings for such policies shall be for informational purposes only. Therefore, all manuals of classifications, rules, underwriting rules, rates, rate plans and modifications, policy forms and other forms to which such rates are applied, shall be filed with the director for policies which meet the exemption requirements of section 379.362. Such filings shall be made with the director within thirty days after such materials are used by the insurer, but such policies and rates need not be reviewed or approved by the department of insurance as a condition of their use. Nothing in this subsection shall require the filing of individual policies or the rates related thereto where the original policy forms, manuals, rates and rules for the insurance plan or program to which such individual policies conform have already been filed with the director.**

**379.362. 1. Commercial property insurance and commercial casualty insurance policies shall be exempt from those provisions of sections 379.316 to 379.361, 379.420 to 379.510 and 379.888 which concern regulation by the department of policy language, policy provisions or the format of such policies, or the rates associated with such policies, for any policy for which the policyholder certifies in writing, on a certification form approved by the department, that the policyholder understands that the policy's language or the policy's rating are unregulated by the department and that the requirements of either subdivision (1) or subdivision (2) below are met:**

**(1) The policyholder has utilized the services of the independent insurance adviser. For purposes of this section, the term "independent insurance adviser" means a person who is qualified through education, training or experience to assess the purchaser's insurance needs and analyze the policy with or on behalf of the policyholder. Such an insurance adviser may be an employee of the policyholder or a person retained by the purchaser, provided that the independent insurance adviser shall not also be an employee of the insurer. Such an independent insurance adviser shall only be compensated for services related to the insurance transaction in question by the**

policyholder; or

(2) The policyholder's commercial operations meet any two of the following criteria:

(a) One hundred or more employees;

(b) A net worth of over twenty-five million dollars;

(c) Net revenues or sales of over fifty million dollars;

(d) Paid aggregate annual commercial insurance premiums of over fifty thousand dollars, excluding workers' compensation and employer's liability insurance;

(e) Is a not for profit or public entity with an annual budget or assets of at least twenty-five million dollars; or

(f) Is a municipality with a population of over fifty thousand inhabitants.

2. An insurer writing a commercial property or commercial casualty insurance policy pursuant to subsection 1 of this section shall retain a copy of the policyholder's written certification as part of the insurer's policy records of the transaction.

3. Nothing contained in subsection 1 of this section shall be construed as exempting commercial property or commercial casualty policies which meet the requirements of subsection 1 of this section from any regulatory authority of the director of the department of insurance other than that authority related to the oversight of the policy language, policy provisions or the format of policies, or of the rates used to calculate the amount of premium charged. In particular, nothing contained in subsection 1 of this section shall limit the director's authority over excessive, inadequate or unfairly discriminatory rates.

4. The director may, by rule, require insurers providing coverage pursuant to subsection 1 of this section to retain information in such insurer's files identifying the policies providing such coverage, and to report to the department aggregate data regarding the types of such coverage written and the amounts charged for such coverage.

5. Notwithstanding the provisions of section 384.017, RSMo, commercial property or commercial casualty insurance meeting the requirements of subsection 1 of this section may be procured through a surplus lines licensee from an eligible surplus lines insurer even though the same type of coverage or quality of service is obtainable in the market from admitted insurers.

379.425. 1. Sections 379.420 to 379.510 apply to casualty insurance, including fidelity, surety and guaranty bonds, and to all forms of motor vehicle insurance, on risks or operations in this state, except

(1) Reinsurance, other than joint reinsurance to the extent stated in section 379.460 and subsection 2 of section 379.430;

(2) Insurance against workers' compensation liability;

(3) Accident and health insurance;

(4) Insurance against loss of or damage to aircraft, or against liability, other than employers' liability, arising out of the ownership, maintenance or use of aircraft.

2. Commercial casualty insurance policies which meet the exemption requirements of section 379.362 shall be exempt from those insurance laws of this state which concern the regulation by the director of insurance of the policy language, policy provisions or the format of such policies, or regulation of the rates used to calculate the amount of premium charged.

379.888. 1. As used in sections 379.888 to 379.893, the following terms mean:

(1) "A" rated risk [means], any insurance coverage for which rates are individually determined based upon judgment because neither a rate service organization nor the insurer has yet established a manual rate based upon experience, except that if a rate service organization or the insurer acquires sufficient experience to establish, or if the insurer itself has, a manual rate for such coverage, then such coverage shall no longer be considered an "A" rated risk for each insurer;

(2) "Base rate" [means], the rate designed to reflect the average aggregate experience of a particular market, prior to adjustment for individual risk characteristics resulting from application of any rating plan;

(3) "Classification" [means], a grouping of insurance risks according to a classification system used by an insurer;

(4) "Classification system" [means], a schedule of classifications and a rule or set of rules used by an insurer for determining the classification applicable to an insured;

(5) "Commercial casualty insurance" [means], casualty insurance for business or nonprofit interests which is not for personal, family, or household purposes;

(6) "Director" [means], the director of the department of insurance;

(7) "Rate" [means], a monetary amount applied to the units of exposure basis assigned to a classification and used by an insurer to determine the premium for an insured;

(8) "Rating plan" [means], a rule or set of rules used by an insurer to calculate premium for an insured, and the parameter values used in such calculation, after application of classification premium rates to units of exposure; **and**

(9) "Rating system" [means], a collection of rating plans to be used by an insurer, rules for determining which rating plans are applicable to an insured, a classification system, and other rules used by an insurer for determining contractual consideration for insured.

2. Every filing of commercial casualty insurance premium rates, rating plans or rating systems by an insurer or rating organization [must] **shall** be submitted to the director for review prior to becoming effective if it produces an increase or decrease exceeding twenty-five percent annually from changes in any:

- (1) Base rates;
- (2) Rating basis;
- (3) Rating plans;
- (4) Manual rules;
- (5) Territorial definitions; or

(6) Combination of such rating system components of subdivisions (1) to (5) of this subsection.

3. Nothing in this section applies to premium increases or decreases from:

(1) Change in hazard of the insured's operation;

(2) Change in magnitude of the exposure basis for the insured, including, without limitation, changes in payroll or sales; [or]

(3) "A" rated risks; or

**(4) Commercial casualty insurance that is exempt pursuant to section 379.362.**

4. Any renewal notice of a commercial casualty insurance policy as defined in section 379.882 for any Missouri risk or portion thereof which would have the effect of increasing the premium charged to the insured due to a change in any scheduled rating factor applied to the policy during the previous policy period shall contain or be accompanied by a notice to the insured informing the insured that any inquiry by the insured concerning the change may be directed to the agent of record or directly to the insurer. When any insured makes a request for information pursuant to this subsection, the insurer, directly or through the insurer's agent, shall inform the insured in writing in terms sufficiently clear and specific of the basis for any reduction in a scheduled rating credit or increase in a scheduled rating debit which is applied to the policy. Evidence supporting the basis for any scheduled rating credit or debit shall be retained by the insurer for the policy term plus two calendar years[, in accordance with] **pursuant to** section 374.205, RSMo. The [Missouri] department of insurance shall notify commercial casualty insurers of the requirements of this section by bulletin. [The provisions of this subsection shall become effective on January 1, 1999.]

Section B. Section 375.1220.3-.5 shall terminate on December 31, 2000."; and

Further amend the title accordingly.

Emergency clause adopted.

In which the concurrence of the Senate is respectfully requested.

#### CONCURRENT RESOLUTIONS

Senator Quick moved that **SCR 14**, with **HCA 1**, be taken up for adoption, which motion prevailed.

**HCA 1** was taken up.

Senator Quick moved that the above

amendment be adopted, which motion prevailed by the following vote:

YEAS—Senators

Banks	Bentley	Bland	Caskey
Childers	Clay	DePasco	Ehlmann
Flotron	Goode	Graves	House
Howard	Jacob	Kenney	Klarich
Mathewson	Maxwell	Mueller	Quick
Rohrbach	Russell	Schneider	Scott
Sims	Singleton	Staples	Steelman
Stoll	Westfall	Wiggins	Yeckel—32

NAYS—Senators—None

Absent—Senators

Johnson	Kinder—2
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Absent with leave—Senators—None

On motion of Senator Quick, **SCR 14**, as amended, was adopted by the following vote:

YEAS—Senators

Banks	Bentley	Bland	Caskey
Childers	Clay	DePasco	Flotron
Goode	Graves	House	Howard
Jacob	Kenney	Klarich	Mathewson
Maxwell	Mueller	Quick	Rohrbach
Russell	Schneider	Scott	Sims
Singleton	Staples	Steelman	Stoll
Westfall	Wiggins	Yeckel—31	

NAYS—Senators—None

Absent—Senators

Ehlmann	Johnson	Kinder—3
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Absent with leave—Senators—None

Senator Wiggins assumed the Chair.

**HOUSE BILLS ON THIRD READING**

**HS for HCS for HB 701**, with **SCS**, entitled:

An Act to repeal sections 135.205, 135.207, 135.208, 135.225 and 135.230, RSMo Supp. 1998, relating to tax credit programs administered by the department of economic development, and to enact in lieu thereof seven new sections relating to the same subject.

Was called from the Informal Calendar and taken up by Senator Mathewson.

**SCS for HS for HCS for HB 701**, entitled:

**SENATE COMMITTEE SUBSTITUTE FOR HOUSE SUBSTITUTE FOR HOUSE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 701**

An Act to repeal sections 135.400, 135.411, 620.163 and 620.495, RSMo 1994, and sections 135.205, 135.207, 135.225, 135.230, 135.750, 620.1023 and 620.1039, RSMo Supp. 1998, relating to tax credit programs administered by the department of economic development, and to enact in lieu thereof nineteen new sections relating to the same subject.

Was taken up.

Senator Mathewson moved that **SCS for HS for HCS for HB 701** be adopted.

Senator Mathewson offered **SS for SCS for HS for HCS for HB 701**, entitled:

**SENATE SUBSTITUTE FOR SENATE COMMITTEE SUBSTITUTE FOR HOUSE SUBSTITUTE FOR HOUSE COMMITTEE SUBSTITUTE FOR HOUSE BILL NO. 701**

An Act to repeal sections 135.400, 135.411, 620.163, 620.495 and 620.602, RSMo 1994, and sections 135.100, 135.205, 135.207, 135.225, 135.230, 135.750, 620.1023 and 620.1039, RSMo Supp. 1998, relating to tax credit programs administered by the department of economic development, and to enact in lieu thereof twenty-one new sections relating to the same subject.

Senator Mathewson moved that **SS for SCS for HS for HCS for HB 701** be adopted.

At the request of Senator Mathewson, **HS for HCS for HB 701**, with **SCS** and **SS for SCS** (pending) was placed on the Informal Calendar.

**CONFERENCE COMMITTEE APPOINTMENTS**

President Pro Tem Quick appointed the following conference committee to act with a like

committee from the House on **HCS** for **SCS** for **SBs 31** and **285**, as amended: Senators Howard, Maxwell, Caskey, Flotron and Rohrbach.

### REFERRALS

President Pro Tem Quick referred **HS** for **HCS** for **HB 826**, with **SCS**; and **HS** for **HCS** for **HBs 283, 286, 325, 370, 551, 36, 42, 73, 111, 341, 619, 62** and **579**, with **SCS**, to the Committee on State Budget Control.

### HOUSE BILLS ON THIRD READING

**HS** for **HB 516**, with **SCS**, introduced by Representative Gaw, et al, entitled:

An Act to repeal section 143.151, RSMo 1994, relating solely to personal exemptions for individual income tax and to enact in lieu thereof one new section relating to the same subject.

Was called from the Informal Calendar and taken up by Senator Jacob.

**SCS** for **HS** for **HB 516**, entitled:

#### SENATE COMMITTEE SUBSTITUTE FOR HOUSE SUBSTITUTE FOR HOUSE BILL NO. 516

An Act to repeal sections 135.333, 143.111, 143.151 and 147.010, RSMo 1994, and sections 135.326, 135.327, 135.550 and 135.600, RSMo Supp. 1998, relating to taxation, and to enact in lieu thereof nineteen new sections relating to the same subject.

Was taken up.

Senator Jacob moved that **SCS** for **HS** for **HB 516** be adopted.

Senator Jacob offered **SS** for **SCS** for **HS** for **HB 516**, entitled:

#### SENATE SUBSTITUTE FOR SENATE COMMITTEE SUBSTITUTE FOR HOUSE SUBSTITUTE FOR HOUSE BILL NO. 516

An Act to repeal sections 143.111, 143.151 and 147.010, RSMo 1994, and section 143.161, RSMo Supp. 1998, relating to taxation, and to enact in lieu thereof five new sections relating to the same subject.

Senator Jacob moved that **SS** for **SCS** for **HS** for **HB 516** be adopted.

Senator Westfall offered **SA 1**:

#### SENATE AMENDMENT NO. 1

Amend Senate Substitute for Senate Committee Substitute for House Substitute for House Bill No. 516, Page 1, Section 143.111, Line 1, by inserting immediately before said line the following:

**"135.636. 1. For all tax years beginning on or after January 1, 2000, an individual taxpayer shall be allowed a credit against his or her state tax liability equal to ten percent of the amount of all real property taxes which the taxpayer has paid to this state or to any political subdivision of this state during the calendar year for which the income tax return is being filed, but not to exceed one hundred dollars for any one parcel of real property which is wholly owned by the taxpayer or by the taxpayer and the taxpayer's spouse. If the amount allowable as a credit exceeds the amount of the taxpayer's state income tax liability for the taxable year, the excess shall be considered an overpayment of income tax. The credit authorized pursuant to this section may not be claimed for the same taxable year for which the taxpayer is claiming a credit pursuant to section 135.020.**

**2. The director of the department of revenue shall promulgate rules and regulations to administer 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, RSMo.";** and

Further amend the title and enacting clause accordingly.

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

Senator Scott offered **SA 2**:

#### SENATE AMENDMENT NO. 2

Amend Senate Substitute for Senate Committee Substitute for House Substitute for House Bill No. 516, Page 4, Section 147.010, Line



1 of said section, by inserting immediately before said line the following:

"144.010. 1. The following words, terms, and phrases when used in sections 144.010 to 144.525 have the meanings ascribed to them in this section, except when the context indicates a different meaning:

(1) "Admission" includes seats and tables, reserved or otherwise, and other similar accommodations and charges made therefor and amount paid for admission, exclusive of any admission tax imposed by the federal government or by sections 144.010 to 144.525;

(2) "Business" includes any activity engaged in by any person, or caused to be engaged in by him, with the object of gain, benefit or advantage, either direct or indirect, and the classification of which business is of such character as to be subject to the terms of sections 144.010 to 144.525. The isolated or occasional sale of tangible personal property, service, substance, or thing, by a person not engaged in such business, does not constitute engaging in business within the meaning of sections 144.010 to 144.525 unless the total amount of the gross receipts from such sales, exclusive of receipts from the sale of tangible personal property by persons which property is sold in the course of the partial or complete liquidation of a household, farm or nonbusiness enterprise, exceeds three thousand dollars in any calendar year. The provisions of this subdivision shall not be construed to make any sale of property which is exempt from sales tax or use tax on June 1, 1977, subject to that tax thereafter;

(3) "Gross receipts", except as provided in section 144.012, means the total amount of the sale price of the sales at retail including any services other than charges incident to the extension of credit that are a part of such sales made by the businesses herein referred to, capable of being valued in money, whether received in money or otherwise; except that, the term "gross receipts" shall not include the sale price of property returned by customers when the full sale price thereof is refunded either in cash or by credit. In determining any tax due under sections 144.010 to 144.525 on the gross receipts, charges incident to the extension

of credit shall be specifically exempted. For the purposes of sections 144.010 to 144.525 the total amount of the sale price above mentioned shall be deemed to be the amount received. It shall also include the lease or rental consideration where the right to continuous possession or use of any article of tangible personal property is granted under a lease or contract and such transfer of possession would be taxable if outright sale were made and, in such cases, the same shall be taxable as if outright sale were made and considered as a sale of such article, and the tax shall be computed and paid by the lessee upon the rentals paid;

(4) "Livestock", cattle, calves, sheep, swine, ratite birds, including but not limited to, ostrich and emu, aquatic products as defined in section 277.024, RSMo, elk documented as obtained from a legal source and not from the wild, goats, horses, other equine, or rabbits raised in confinement for human consumption;

(5) "Motor vehicle leasing company" shall be a company obtaining a permit from the director of revenue to operate as a motor vehicle leasing company. Not all persons renting or leasing trailers or motor vehicles need to obtain such a permit; however, no person failing to obtain such a permit may avail itself of the optional tax provisions of subsection 5 of section 144.070, as hereinafter provided;

(6) "Person" includes any individual, firm, copartnership, joint adventure, association, corporation, municipal or private, and whether organized for profit or not, state, county, political subdivision, state department, commission, board, bureau or agency, except the state transportation department, estate, trust, business trust, receiver or trustee appointed by the state or federal court, syndicate, or any other group or combination acting as a unit, and the plural as well as the singular number;

(7) "Purchaser" means a person who purchases tangible personal property or to whom are rendered services, receipts from which are taxable under sections 144.010 to 144.525;

**(8) "Research or experimentation activities", activities directed toward the**

**development of an experimental or pilot model, plant process, formula, invention or similar property, and the improvement of existing property of such type. Research or experimentation activities do not include activities such as ordinary testing or inspection of materials or products for quality control, efficiency surveys, advertising promotions or research in connection with literary, historical or similar projects;**

[(8)] (9) "Sale" or "sales" includes installment and credit sales, and the exchange of properties as well as the sale thereof for money, every closed transaction constituting a sale, and means any transfer, exchange or barter, conditional or otherwise, in any manner or by any means whatsoever, of tangible personal property for valuable consideration and the rendering, furnishing or selling for a valuable consideration any of the substances, things and services herein designated and defined as taxable under the terms of sections 144.010 to 144.525;

[(9)] (10) "Sale at retail" means any transfer made by any person engaged in business as defined herein of the ownership of, or title to, tangible personal property to the purchaser, for use or consumption and not for resale in any form as tangible personal property, for a valuable consideration; except that, for the purposes of sections 144.010 to 144.525 and the tax imposed thereby: (i) purchases of tangible personal property made by duly licensed physicians, dentists, optometrists and veterinarians and used in the practice of their professions shall be deemed to be purchases for use or consumption and not for resale; and (ii) the selling of computer printouts, computer output or microfilm or microfiche and computer-assisted photo compositions to a purchaser to enable the purchaser to obtain for his own use the desired information contained in such computer printouts, computer output on microfilm or microfiche and computer-assisted photo compositions shall be considered as the sale of a service and not as the sale of tangible personal property. Where necessary to conform to the context of sections 144.010 to 144.525 and the tax imposed thereby, the term "sale at retail" shall be construed to embrace:

(a) Sales of admission tickets, cash admissions, charges and fees to or in places of amusement, entertainment and recreation, games and athletic events;

(b) Sales of electricity, electrical current, water and gas, natural or artificial, to domestic, commercial or industrial consumers;

(c) Sales of local and long distance telecommunications service to telecommunications subscribers and to others through equipment of telecommunications subscribers for the transmission of messages and conversations, and the sale, rental or leasing of all equipment or services pertaining or incidental thereto;

(d) Sales of service for transmission of messages by telegraph companies;

(e) Sales or charges for all rooms, meals and drinks furnished at any hotel, motel, tavern, inn, restaurant, eating house, drugstore, dining car, tourist camp, tourist cabin, or other place in which rooms, meals or drinks are regularly served to the public;

(f) Sales of tickets by every person operating a railroad, sleeping car, dining car, express car, boat, airplane, and such buses and trucks as are licensed by the division of motor carrier and railroad safety of the department of economic development of Missouri, engaged in the transportation of persons for hire;

[(10)] (11) "Seller" means a person selling or furnishing tangible personal property or rendering services, on the receipts from which a tax is imposed under section 144.020;

[(11)] (12) The noun "tax" means either the tax payable by the purchaser of a commodity or service subject to tax, or the aggregate amount of taxes due from the vendor of such commodities or services during the period for which he is required to report his collections, as the context may require;

[(12)] (13) "Telecommunications service", for the purpose of chapter 144, the transmission of information by wire, radio, optical cable, coaxial cable, electronic impulses, or other similar means. As used in this definition, "information" means knowledge or intelligence represented by any form

of writing, signs, signals, pictures, sounds, or any other symbols. Telecommunications service does not include the following if such services are separately stated on the customer's bill:

(a) Access to the Internet, access to interactive computer services or electronic publishing services, except the amount paid for the telecommunications service used to provide such access;

(b) Answering services and one-way paging services;

(c) Private mobile radio services which are not two-way commercial mobile radio services such as wireless telephone, personal communications services or enhanced specialized mobile radio services as defined pursuant to federal law; or

(d) Cable or satellite television or music services; and

[(13)] **(14)** "Product which is intended to be sold ultimately for final use or consumption" means tangible personal property, or any service that is subject to state or local sales or use taxes, or any tax that is substantially equivalent thereto, in this state or any other state.

2. For purposes of the taxes imposed under sections 144.010 to 144.525, and any other provisions of law pertaining to sales or use taxes which incorporate the provisions of sections 144.010 to 144.525 by reference, the term "manufactured homes" shall have the same meaning given it in section 700.010, RSMo.

3. Sections 144.010 to 144.525 may be known and quoted as the "Sales Tax Law".

144.030. 1. There is hereby specifically exempted from the provisions of sections 144.010 to 144.525 and from the computation of the tax levied, assessed or payable pursuant to sections 144.010 to 144.525 such retail sales as may be made in commerce between this state and any other state of the United States, or between this state and any foreign country, and any retail sale which the state of Missouri is prohibited from taxing pursuant to the Constitution or laws of the United States of America, and such retail sales of tangible personal property which the general assembly of the state of Missouri is prohibited from taxing or further taxing

by the constitution of this state.

2. There are also specifically exempted from the provisions of the local sales tax law as defined in section 32.085, RSMo, section 238.235, RSMo, and sections 144.010 to 144.525 and 144.600 to 144.745 and from the computation of the tax levied, assessed or payable pursuant to the local sales tax law as defined in section 32.085, RSMo, section 238.235, RSMo, and sections 144.010 to 144.525 and 144.600 to 144.745:

(1) Motor fuel or special fuel subject to an excise tax of this state, unless all or part of such excise tax is refunded pursuant to section 142.584, RSMo; or upon the sale at retail of fuel to be consumed in manufacturing or creating gas, power, steam, electrical current or in furnishing water to be sold ultimately at retail; or feed for livestock or poultry; or grain to be converted into foodstuffs which are to be sold ultimately in processed form at retail; or seed, limestone or fertilizer which is to be used for seeding, liming or fertilizing crops which when harvested will be sold at retail or will be fed to livestock or poultry to be sold ultimately in processed form at retail; economic poisons registered pursuant to the provisions of the Missouri pesticide registration law (sections 281.220 to 281.310, RSMo) which are to be used in connection with the growth or production of crops, fruit trees or orchards applied before, during, or after planting, the crop of which when harvested will be sold at retail or will be converted into foodstuffs which are to be sold ultimately in processed form at retail;

(2) Materials, manufactured goods, machinery and parts which when used in manufacturing, processing, compounding, mining, producing or fabricating become a component part or ingredient of the new personal property resulting from such manufacturing, processing, compounding, mining, producing or fabricating and which new personal property is intended to be sold ultimately for final use or consumption; and materials, including without limitation, gases and manufactured goods, including without limitation, slagging materials and firebrick, which are ultimately consumed in the manufacturing process by blending, reacting or interacting with or by becoming, in whole or in

part, component parts or ingredients of steel products intended to be sold ultimately for final use or consumption;

(3) Materials, replacement parts and equipment purchased for use directly upon, and for the repair and maintenance or manufacture of, motor vehicles, watercraft, railroad rolling stock or aircraft engaged as common carriers of persons or property;

(4) Replacement machinery, equipment, and parts and the materials and supplies solely required for the installation or construction of such replacement machinery, equipment, and parts, used directly in manufacturing, mining, fabricating or producing a product which is intended to be sold ultimately for final use or consumption; and machinery and equipment, and the materials and supplies required solely for the operation, installation or construction of such machinery and equipment, purchased and used to establish new, or to replace or expand existing, material recovery processing plants in this state. For the purposes of this subdivision, a "material recovery processing plant" means a facility which converts recovered materials into a new product, or a different form which is used in producing a new product, and shall include a facility or equipment which is used exclusively for the collection of recovered materials for delivery to a material recovery processing plant but shall not include motor vehicles used on highways. For purposes of this section, the terms "motor vehicle" and "highway" shall have the same meaning pursuant to section 301.010, RSMo;

(5) Machinery and equipment, and parts and the materials and supplies solely required for the installation or construction of such machinery and equipment, purchased and used to establish new or to expand existing manufacturing, mining or fabricating plants in the state if such machinery and equipment is used directly in manufacturing, mining or fabricating a product which is intended to be sold ultimately for final use or consumption;

(6) Tangible personal property which is used exclusively in the manufacturing, processing, modification or assembling of products sold to the United States government or to any agency of the

United States government;

(7) Animals or poultry used for breeding or feeding purposes;

(8) Newsprint, ink, computers, photosensitive paper and film, toner, printing plates and other machinery, equipment, replacement parts and supplies used in producing newspapers published for dissemination of news to the general public;

(9) The rentals of films, records or any type of sound or picture transcriptions for public commercial display;

(10) Pumping machinery and equipment used to propel products delivered by pipelines engaged as common carriers;

(11) Railroad rolling stock for use in transporting persons or property in interstate commerce and motor vehicles licensed for a gross weight of twenty-four thousand pounds or more or trailers used by common carriers, as defined in section 390.020, RSMo, solely in the transportation of persons or property in interstate commerce;

(12) Electrical energy used in the actual primary manufacture, processing, compounding, mining or producing of a product, or electrical energy used in the actual secondary processing or fabricating of the product, or a material recovery processing plant as defined in subdivision (4) of this subsection, in facilities owned or leased by the taxpayer, if the total cost of electrical energy so used exceeds ten percent of the total cost of production, either primary or secondary, exclusive of the cost of electrical energy so used or if the raw materials used in such processing contain at least twenty-five percent recovered materials as defined in section 260.200, RSMo. For purposes of this subdivision, "processing" means any mode of treatment, act or series of acts performed upon materials to transform and reduce them to a different state or thing, including treatment necessary to maintain or preserve such processing by the producer at the production facility;

(13) Anodes which are used or consumed in manufacturing, processing, compounding, mining, producing or fabricating and which have a useful life of less than one year;

(14) Machinery, equipment, appliances and devices purchased or leased and used solely for the purpose of preventing, abating or monitoring air pollution, and materials and supplies solely required for the installation, construction or reconstruction of such machinery, equipment, appliances and devices, and so certified as such by the director of the department of natural resources, except that any action by the director pursuant to this subdivision may be appealed to the air conservation commission which may uphold or reverse such action;

(15) Machinery, equipment, appliances and devices purchased or leased and used solely for the purpose of preventing, abating or monitoring water pollution, and materials and supplies solely required for the installation, construction or reconstruction of such machinery, equipment, appliances and devices, and so certified as such by the director of the department of natural resources, except that any action by the director pursuant to this subdivision may be appealed to the Missouri clean water commission which may uphold or reverse such action;

(16) Tangible personal property purchased by a rural water district;

(17) All amounts paid or charged for admission or participation or other fees paid by or other charges to individuals in or for any place of amusement, entertainment or recreation, games or athletic events, including museums, fairs, zoos and planetariums, owned or operated by a municipality or other political subdivision where all the proceeds derived therefrom benefit the municipality or other political subdivision and do not inure to any private person, firm, or corporation;

(18) All sales of insulin and prosthetic or orthopedic devices as defined on January 1, 1980, by the federal Medicare program pursuant to Title XVIII of the Social Security Act of 1965, including the items specified in Section 1862(a)(12) of that act, and also specifically including hearing aids and hearing aid supplies and all sales of drugs which may be legally dispensed by a licensed pharmacist only upon a lawful prescription of a practitioner licensed to administer those items, including samples and materials used to manufacture samples

which may be dispensed by a practitioner authorized to dispense such samples and all sales of medical oxygen, home respiratory equipment and accessories, hospital beds and accessories and ambulatory aides, all sales of manual and powered wheelchairs, stairway lifts, Braille writers, electronic Braille equipment and, if purchased by or on behalf of a person with one or more physical or mental disabilities to enable them to function more independently, all sales of scooters, reading machines, electronic print enlargers and magnifiers, electronic alternative and augmentative communication devices, and items used solely to modify motor vehicles to permit the use of such motor vehicles by individuals with disabilities or sales of over-the-counter or nonprescription drugs to individuals with disabilities;

(19) All sales made by or to religious and charitable organizations and institutions in their religious, charitable or educational functions and activities and all sales made by or to all elementary and secondary schools operated at public expense in their educational functions and activities;

(20) All sales of aircraft to common carriers for storage or for use in interstate commerce and all sales made by or to not for profit civic, social, service or fraternal organizations, including fraternal organizations which have been declared tax exempt organizations pursuant to Section 501(c)(8) or (10) of the 1986 Internal Revenue Code, as amended, solely in their civic or charitable functions and activities and all sales made to eleemosynary and penal institutions and industries of the state, and all sales made to any private not for profit institution of higher education not otherwise excluded pursuant to subdivision (19) of this subsection or any institution of higher education supported by public funds, and all sales made to a state relief agency in the exercise of relief functions and activities;

(21) All ticket sales made by benevolent, scientific and educational associations which are formed to foster, encourage, and promote progress and improvement in the science of agriculture and in the raising and breeding of animals, and by nonprofit summer theater organizations if such organizations are exempt from federal tax pursuant

to the provisions of the Internal Revenue Code and all admission charges and entry fees to the Missouri state fair or any fair conducted by a county agricultural and mechanical society organized and operated pursuant to sections 262.290 to 262.530, RSMo;

(22) All sales made to any private not for profit elementary or secondary school, all sales of feed additives, medications or vaccines administered to livestock or poultry in the production of food or fiber, all sales of pesticides used in the production of crops, livestock or poultry for food or fiber, all sales of bedding used in the production of livestock or poultry for food or fiber, all sales of propane or natural gas, electricity or diesel fuel used exclusively for drying agricultural crops, and all sales of farm machinery, other than airplanes, motor vehicles and trailers. As used in this subdivision, the term "feed additives" means tangible personal property which, when mixed with feed for livestock or poultry, is to be used in the feeding of livestock or poultry. As used in this subdivision, the term "pesticides" includes adjuvants such as crop oils, surfactants, wetting agents and other assorted pesticide carriers used to improve or enhance the effect of a pesticide and the foam used to mark the application of pesticides and herbicides for the production of crops, livestock or poultry. As used in this subdivision, the term "farm machinery" means new or used farm tractors and such other new or used farm machinery and equipment and repair or replacement parts thereon and lubricants used exclusively for such farm machinery and equipment and one-half of each purchaser's purchase of diesel fuel therefor which is:

- (a) Used exclusively for agricultural purposes;
- (b) Used on land owned or leased for the purpose of producing farm products; and
- (c) Used directly in producing farm products to be sold ultimately in processed form or otherwise at retail or in producing farm products to be fed to livestock or poultry to be sold ultimately in processed form at retail;

(23) Except as otherwise provided in section 144.032, all sales of metered water service,

electricity, electrical current, natural, artificial or propane gas, wood, coal or home heating oil for domestic use and in any city not within a county, all sales of metered or unmetered water service for domestic use;

(a) "Domestic use" means that portion of metered water service, electricity, electrical current, natural, artificial or propane gas, wood, coal or home heating oil, and in any city not within a county, metered or unmetered water service, which an individual occupant of a residential premises uses for nonbusiness, noncommercial or nonindustrial purposes. Utility service through a single or master meter for residential apartments or condominiums, including service for common areas and facilities and vacant units, shall be deemed to be for domestic use. Each seller shall establish and maintain a system whereby individual purchases are determined as exempt or nonexempt;

(b) Regulated utility sellers shall determine whether individual purchases are exempt or nonexempt based upon the seller's utility service rate classifications as contained in tariffs on file with and approved by the Missouri public service commission. Sales and purchases made pursuant to the rate classification "residential" and sales to and purchases made by or on behalf of the occupants of residential apartments or condominiums through a single or master meter, including service for common areas and facilities and vacant units, shall be considered as sales made for domestic use and such sales shall be exempt from sales tax. Sellers shall charge sales tax upon the entire amount of purchases classified as nondomestic use. The seller's utility service rate classification and the provision of service thereunder shall be conclusive as to whether or not the utility must charge sales tax;

(c) Each person making domestic use purchases of services or property and who uses any portion of the services or property so purchased for a nondomestic use shall, by the fifteenth day of the fourth month following the year of purchase, and without assessment, notice or demand, file a return and pay sales tax on that portion of nondomestic purchases. Each person making nondomestic purchases of services or property and who uses any

portion of the services or property so purchased for domestic use, and each person making domestic purchases on behalf of occupants of residential apartments or condominiums through a single or master meter, including service for common areas and facilities and vacant units, under a nonresidential utility service rate classification may, between the first day of the first month and the fifteenth day of the fourth month following the year of purchase, apply for credit or refund to the director of revenue and the director shall give credit or make refund for taxes paid on the domestic use portion of the purchase. The person making such purchases on behalf of occupants of residential apartments or condominiums shall have standing to apply to the director of revenue for such credit or refund;

(24) All sales of handicraft items made by the seller or the seller's spouse if the seller or the seller's spouse is at least sixty-five years of age, and if the total gross proceeds from such sales do not constitute a majority of the annual gross income of the seller;

(25) Excise taxes, collected on sales at retail, imposed by sections 4041, 4061, 4071, 4081, 4091, 4161, 4181, 4251, 4261 and 4271 of Title 26, United States Code. The director of revenue shall promulgate rules pursuant to chapter 536, RSMo, to eliminate all state and local sales taxes on such excise taxes;

(26) Sales of fuel consumed or used in the operation of ships, barges, or waterborne vessels which are used primarily in or for the transportation of property or cargo, or the conveyance of persons for hire, on navigable rivers bordering on or located in part in this state, if such fuel is delivered by the seller to the purchaser's barge, ship, or waterborne vessel while it is afloat upon such river;

(27) All sales made to an interstate compact agency created pursuant to sections 70.370 to 70.430, RSMo, or sections 238.010 to 238.100, RSMo, in the exercise of the functions and activities of such agency as provided pursuant to the compact;

(28) Computers, computer software and

computer security systems purchased for use by architectural or engineering firms headquartered in this state. For the purposes of this subdivision, "headquartered in this state" means the office for the administrative management of at least four integrated facilities operated by the taxpayer is located in the state of Missouri;

(29) All livestock sales when either the seller is engaged in the growing, producing or feeding of such livestock, or the seller is engaged in the business of buying and selling, bartering or leasing of such livestock;

(30) All sales of barges which are to be used primarily in the transportation of property or cargo on interstate waterways;

(31) Electrical energy or gas, whether natural, artificial or propane, which is ultimately consumed in connection with the manufacturing of cellular glass products;

(32) Notwithstanding other provisions of law to the contrary, all sales of pesticides or herbicides used in the production of crops, aquaculture, livestock or poultry;

(33) Tangible personal property purchased for use or consumption directly or exclusively in the research and development of prescription pharmaceuticals consumed by humans or animals;

(34) All sales of grain bins for storage of grain for resale;

(35) All sales of feed which are developed for and used in the feeding of pets owned by a commercial breeder when such sales are made to a commercial breeder, as defined in section 273.325, RSMo, and licensed pursuant to sections 273.325 to 273.357, RSMo;

(36) All purchases by a contractor on behalf of an entity located in another state, provided that the entity is authorized to issue a certificate of exemption for purchases to a contractor under the provisions of that state's laws. For purposes of this subdivision, the term "certificate of exemption" shall mean any document evidencing that the entity is exempt from sales and use taxes on purchases pursuant to the laws of the state in which the entity is located. Any contractor making purchases on

behalf of such entity shall maintain a copy of the entity's exemption certificate as evidence of the exemption. If the exemption certificate issued by the exempt entity to the contractor is later determined by the director of revenue to be invalid for any reason and the contractor has accepted the certificate in good faith, neither the contractor or the exempt entity shall be liable for the payment of any taxes, interest and penalty due as the result of use of the invalid exemption certificate. Materials shall be exempt from all state and local sales and use taxes when purchased by a contractor for the purpose of fabricating tangible personal property which is used in fulfilling a contract for the purpose of constructing, repairing or remodeling facilities for the following:

(a) An exempt entity located in this state, if the entity is one of those entities able to issue project exemption certificates in accordance with the provisions of section 144.062; or

(b) An exempt entity located outside the state if the exempt entity is authorized to issue an exemption certificate to contractors in accordance with the provisions of that state's law and the applicable provisions of this section;

**(37) Tangible personal property purchased for use or consumption directly or predominantly in research or experimentation activities.";** and

Further amend the title and enacting clause accordingly.

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

Senator Ehlmann offered SA 3:

SENATE AMENDMENT NO. 3

Amend Senate Substitute for Senate Committee Substitute for House Substitute for House Bill No. 516, Page 7, Section 147.010, Line 9, by inserting after said line the following:

**"Section 1. 1. For the purposes of encouraging an orderly and disciplined environment conducive to learning, reducing participation in gangs, preventing student altercations and violence and promoting the safety of school children, a resident shall be allowed a credit against the tax imposed by**

**chapter 143, RSMo, pursuant to this section for expenses incurred by such resident on behalf of any dependent attending grades six through twelve for clothing required by a written dress code of a school to which a child may attend to meet the requirements of section 167.031, RSMo. The credit shall be for expenses incurred by such resident in the same taxable year for which the Missouri return is being filed.**

**2. The credit authorized in this section shall be an amount not to exceed two hundred dollars.";** and

Further amend the title and enacting clause accordingly.

Senator Ehlmann moved that the above amendment be adopted.

Senator Westfall offered SSA 1 for SA 3:

SENATE SUBSTITUTE AMENDMENT NO. 1  
FOR SENATE AMENDMENT NO. 3

Amend Senate Substitute for Senate Committee Substitute for House Substitute for House Bill No. 516, Page 7, Section 147.010, Line 9, by inserting after said line the following:

**"Section 1. 1. For the purposes of encouraging an orderly and disciplined environment conducive to learning, reducing participation in gangs, preventing student altercations and violence and promoting the safety of school children, a resident shall be allowed a credit against the tax imposed by chapter 143, RSMo, pursuant to this section for expenses incurred by such resident on behalf of any dependent attending grades six through twelve for clothing required by a written dress code of a public school to which a child may attend to meet the requirements of section 167.031, RSMo. The credit shall be for expenses incurred by such resident in the same taxable year for which the Missouri return is being filed.**

**2. The credit authorized in this section shall be an amount not to exceed two hundred dollars.";** and

Further amend the title and enacting clause accordingly.

Senator Westfall moved that the above



substitute amendment be adopted.

Senator Ehlmann offered **SA 1** to **SSA 1** for **SA 3**, which was read:

SENATE AMENDMENT NO. 1 TO  
SENATE SUBSTITUTE AMENDMENT NO. 1  
FOR SENATE AMENDMENT NO. 3

Amend Senate Substitute Amendment No. 1 for Senate Amendment No. 3 to Senate Substitute for Senate Committee Substitute for House Substitute for House Bill No. 516, Page 1, Section 1, Line 5 of said section, by inserting the word "uniform" after the first appearance of the word "a".

Senator Ehlmann moved that the above amendment be adopted.

President Wilson assumed the Chair.

At the request of Senator Ehlmann, **SA 1** to **SSA 1** for **SA 3** was withdrawn.

**SSA 1** for **SA 3** was again taken up.

Senator Westfall moved that the above substitute amendment be adopted.

Senator Ehlmann requested that a roll call vote be taken on the adoption of **SSA 1** for **SA 3** and was joined in his request by Senators Childers, Clay, Kinder and Russell.

**SSA 1** for **SA 3** failed of adoption by the following vote:

YEAS—Senators

Bentley	Bland	Caskey	Childers
Clay	DePasco	Howard	Jacob
Johnson	Mathewson	Maxwell	Russell
Sims	Stoll	Westfall—15	

NAYS—Senators

Banks	Ehlmann	Flotron	Goode
Graves	House	Kenney	Kinder
Klarich	Mueller	Rohrbach	Schneider
Scott	Singleton	Staples	Steelman
Wiggins	Yeckel—18		

Absent—Senator Quick—1

Absent with leave—Senators—None

**SA 3** was again taken up.

Senator Ehlmann moved that the above

amendment be adopted.

Senator House requested a roll call vote be taken on the adoption of **SA 3** and was joined in his request by Senators Clay, Howard, Kenney and Steelman.

**SA 3** failed of adoption by the following vote:

YEAS—Senators

Bentley	Clay	Ehlmann	Flotron
Graves	Kenney	Kinder	Klarich
Mueller	Schneider	Scott	Steelman
Wiggins	Yeckel—14		

NAYS—Senators

Bland	Caskey	Childers	DePasco
Goode	House	Howard	Jacob
Johnson	Mathewson	Maxwell	Quick
Rohrbach	Russell	Singleton	Staples
Stoll	Westfall—18		

Absent—Senators

Banks Sims—2

Absent with leave—Senators—None

Senator Clay offered **SA 4**:

SENATE AMENDMENT NO. 4

Amend Senate Substitute for Senate Committee Substitute for House Substitute for House Bill No. 516, Page 7, Section 147.070, Line 9, by inserting after all of said line the following:

**"Section 1. An eligible small business, as defined in section 44 of the Internal Revenue Code, shall be allowed a credit against the tax otherwise due pursuant to chapter 143, RSMo, not including sections 143.191 to 143.265, RSMo, in an amount equal to any amount paid by the eligible small business to the United States Small Business Administration as a guaranty fee pursuant to obtaining Small Business Administration guaranteed financing and to programs administered by the United States Department of Agriculture for rural development or farm service agencies.";** and further amend said section by renumbering the remaining subsections; and further amend line 10 of said section, by striking "credit" and inserting in lieu thereof **"credits"**.

And further amend the title and enacting clause accordingly.

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

Senator DePasco announced that photographers from KOMU-TV and KRCG-TV had been given permission to take pictures in the Senate Chamber today.

Senator Flotron offered **SA 5**:

**SENATE AMENDMENT NO. 5**

Amend Senate Substitute for Senate Committee Substitute for House Substitute for House Bill No. 516, Page 1, Section A, Line 5, by inserting immediately after all of said line the following:

"135.326. As used in sections 135.325 to 135.339, the following terms shall mean:

(1) "Business entity", person, firm, a partner in a firm, corporation or a shareholder in an S corporation doing business in the state of Missouri and subject to the state income tax imposed by the provisions of chapter 143, RSMo, or a corporation subject to the annual corporation franchise tax imposed by the provisions of chapter 147, RSMo, or an insurance company paying an annual tax on its gross premium receipts in this state, or other financial institution paying taxes to the state of Missouri or any political subdivision of this state under the provisions of chapter 148, RSMo, or an express company which pays an annual tax on its gross receipts in this state pursuant to chapter 153, RSMo;

(2) "Handicap", a mental, physical, or emotional impairment that substantially limits one or more major life activities, whether the impairment is congenital or acquired by accident, injury or disease, and where the impairment is verified by medical findings;

(3) "Nonrecurring adoption expenses", reasonable and necessary adoption fees, court costs, attorney fees, and other expenses which are directly related to the legal adoption of a special needs child and which are not incurred in violation of federal, state, or local law;

(4) "Special needs child", a child for whom it

has been determined by the division of family services, **or** by a child placing agency licensed by the state, or by a court of competent jurisdiction to be a child:

(a) That cannot or should not be returned to the home of his or her parents; and

(b) Who has a specific factor or condition such as ethnic background, age, membership in a minority or sibling group, medical condition, or handicap because of which it is reasonable to conclude that such child cannot be easily placed with adoptive parents; and

(c) [Except] Where **a reasonable, but unsuccessful, effort has been made to place the child with appropriate adoptive parents, except when** it would be against the best interests of the child because of such factors as the existence of significant emotional ties with prospective adoptive parents while in the care of such parents as a foster child[, a reasonable, but unsuccessful, effort has been made to place the child with appropriate adoptive parents];

(5) "State tax liability", any liability incurred by a taxpayer under the provisions of chapter 143, RSMo, chapter 147, RSMo, chapter 148, RSMo, and chapter 153, RSMo, exclusive of the provisions relating to the withholding of tax as provided for in sections 143.191 to 143.265, RSMo, and related provisions.

135.327. **1.** Any person residing in this state who legally adopts a special needs child on or after January 1, 1988, **and before January 1, 2000**, shall be eligible to receive a tax credit of up to ten thousand dollars for nonrecurring adoption expenses for each child adopted that may be applied to taxes due under chapter 143, RSMo. Any business entity providing funds to an employee to enable that employee to legally adopt a special needs child shall be eligible to receive a tax credit of up to ten thousand dollars for nonrecurring adoption expenses for each child adopted that may be applied to taxes due under such business entity's state tax liability, except that only one ten thousand dollar credit is available for each special needs child that is adopted.

**2. Any person residing in this state who**

**proceeds in good faith with the adoption of a special needs child on or after January 1, 2000, shall be eligible to receive a tax credit of up to ten thousand dollars for nonrecurring adoption expenses for each child that may be applied to taxes due under chapter 143, RSMo. Any business entity providing funds to an employee to enable that employee to proceed in good faith with the adoption of a special needs child shall be eligible to receive a tax credit of up to ten thousand dollars for nonrecurring adoption expenses for each child that may be applied to taxes due under such business entity's state tax liability, except that only one ten thousand dollar credit is available for each special needs child that is adopted.**

**3. Individuals and business entities may claim a tax credit for their total nonrecurring adoption expenses in each year that the expenses are incurred. A claim for fifty percent of the credit shall be allowed when the child is placed in the home. A claim for the remaining fifty percent shall be allowed when the adoption is final. The total of these tax credits shall not exceed the maximum limit of ten thousand dollars per child. The cumulative amount of tax credits which may be claimed by taxpayers for nonrecurring adoption expenses in any one fiscal year shall not exceed two million dollars.**

**4. Notwithstanding any provision of law to the contrary, any individual or business entity may assign, transfer or sell tax credits allowed in this section. Any sale of tax credits claimed pursuant to this section to a for profit entity shall be at a discount rate of seventy-five percent or greater of the amount sold.**

135.333. **1. Any amount of tax credit which exceeds the tax due shall not be refunded but may be carried over to any subsequent taxable year, not to exceed a total of five years for which a tax credit may be taken for each child adopted.**

**2. Tax credits that are assigned, transferred or sold as allowed in section 135.327 may be assigned, transferred or sold in their entirety notwithstanding the taxpayer's tax due."; and**

Further amend the title and enacting clause accordingly.

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

Senator Bland offered SA 6:

**SENATE AMENDMENT NO. 6**

Amend Senate Substitute for Senate Committee Substitute for House Substitute for House Bill No. 516, Page 1, Section Title, Line 5, by inserting after the word "subject" the following: ", with penalty provisions for a certain section and an effective date for a certain section"; and

Further amend said bill, Page 7, Section 147.010, Line 9, by inserting immediately after said line the following:

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

**(1) "Children", dependent natural, adopted or foster children, dependent stepchildren, or dependent wards;**

**(2) "Net expenditures", only those amounts paid or incurred for child care services or irrevocably contributed to a fund established exclusively to contract for child care services rendered pursuant to a written contract with a third-party provider less any amounts received by the qualified taxpayer from any source for the provision of child care services;**

**(3) "Qualified taxpayer", an employer who makes expenditures pursuant to this section.**

**2. For taxable years commencing on or after January 1, 2000, a qualified taxpayer shall be allowed a credit against the tax imposed by chapter 143, RSMo, to the extent of ten percent of the net expenditures made directly or through a fund during a taxable year by the taxpayer in making available child care services to children of employees of the taxpayer. No credit shall be allowed for any amounts for which any other credit is claimed or allowed pursuant to chapter 143, RSMo, for the same net expenditures.**

**3. The tax credit allowed by this section shall be claimed by the taxpayer at the time such taxpayer files a return and shall be applied against the income tax liability imposed by chapter 143, RSMo, after all other credits**

provided by law have been applied. Where the amount of the credit exceeds the tax liability, the difference between the credit and the tax liability may be carried forward into a subsequent taxable year as otherwise provided by law.

**4. No such credit shall be allowed:**

(1) To an employer who fails to provide subsidized child care services on a sliding scale, based on need, to parents of at least twenty-five percent of the children served by the facility for which the credit is sought;

(2) To an employer who unfairly discriminates among the employer's employees on the basis of race, creed, religion or national origin as a factor in making available child care services, except that, it may give a preference to children of child care dependent employees in providing services qualifying for a credit pursuant to this section; or

(3) For services provided by a facility which is not licensed pursuant to the provisions of sections 210.201 to 210.245, RSMo, and subject to the regulations of the department of health governing child care facilities.

Section B. Section 1 of this act shall become effective on January 1, 2000, and shall apply to all taxable years beginning after December 31, 1999."; and

Further amend the title and enacting clause accordingly.

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

Senator Johnson assumed the Chair.

Senator Goode offered **SA 7**:

**SENATE AMENDMENT NO. 7**

Amend Senate Substitute for Senate Committee Substitute for House Substitute for House Bill No. 516, Page 2, Section 143.113, Lines 15-18, by striking all of said lines and inserting in lieu thereof the following: "**as amended, for the same taxable year, and shall only be deductible to the extent that such amounts are not deducted on the taxpayer's federal income tax return for that**

**taxable year.**".

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

Senator Mathewson assumed the Chair.

Senator Singleton offered **SA 8**:

**SENATE AMENDMENT NO. 8**

Amend Senate Substitute for Senate Committee Substitute for House Substitute for House Bill No. 516, Page 1, In the Title, Line 4, by inserting after the word "subject" the following ", with an emergency clause for a certain section"; and

Further amend said bill, page 7, section 147.010, line 9 of said page, by inserting immediately after said line the following:

"165.011. 1. The following funds are created for the accounting of all school moneys: teachers' fund, incidental fund, free textbook fund, capital projects fund and debt service fund. The treasurer of the school district shall open an account for each fund specified in this section, and all moneys received from the county school fund and all moneys derived from taxation for teachers' wages shall be placed to the credit of the teachers' fund. All tuition fees, state moneys received under sections 162.975, RSMo, and 163.031, RSMo, and all other moneys received from the state except as herein provided shall be placed to the credit of the teachers' and incidental funds at the discretion of the district board of education. The portion of state aid received by the district pursuant to section 163.031, RSMo, based upon the portion of the tax rate in the debt service or capital projects [funds] **fund**, respectively, which is included in the operating levy for school purposes pursuant to section 163.011, RSMo, shall be placed to the credit of the debt service fund or capital projects fund, respectively. Money received from other districts for transportation, and money derived from taxation for incidental expenses shall be credited to the incidental fund. Money apportioned for free textbooks shall be credited to the free textbook fund. All money derived from taxation or received from any other source for the erection of buildings or additions thereto and the remodeling or reconstruction of buildings and the furnishing

thereof, for the payment of lease-purchase obligations, for the purchase of real estate, or from sale of real estate, schoolhouses or other buildings of any kind, or school furniture, from insurance, from sale of bonds other than refunding bonds shall be placed to the credit of the capital projects fund. All moneys derived from the sale or lease of sites, buildings, facilities, furnishings and equipment by a school district as authorized under section 177.088, RSMo, shall be credited to the capital projects fund. Money derived from taxation for the retirement of bonds and the payment of interest thereon shall be credited to the debt service fund which shall be maintained as a separate bank account. Receipts from delinquent taxes shall be allocated to the several funds on the same basis as receipts from current taxes, except that where the previous years' obligations of the district would be affected by such distribution, the delinquent taxes shall be distributed according to the tax levies made for the years in which the obligations were incurred. All refunds received shall be placed to the credit of the fund from which the original expenditures were made. Money donated to the school districts shall be placed to the credit of the fund where it can be expended to meet the purpose for which it was donated and accepted. Money received from any other source whatsoever shall be placed to the credit of the fund or funds designated by the board.

2. The school board may expend from the incidental fund the sum that is necessary for the ordinary repairs of school property and an amount not to exceed the sum of expenditures for classroom instructional capital outlay, as defined by the department of elementary and secondary education by rule, in state-approved area vocational-technical schools and .06 dollars per one hundred dollars equalized assessed valuation multiplied by the guaranteed tax base for the second preceding year multiplied by the number of resident and nonresident eligible pupils educated in the district for the second preceding year for classroom instructional capital outlay, including but not limited to payments authorized pursuant to section 177.088, RSMo. Any and all payments authorized under section 177.088, RSMo, except as otherwise provided in this subsection, for the

purchase or lease of sites, buildings, facilities, furnishings and equipment and all other expenditures for capital outlay shall be made from the capital projects fund. If a balance remains in the free textbook fund after books are furnished to pupils as provided in section 170.051, RSMo, it shall be transferred to the teachers' fund. The board may transfer the portion of the balance remaining in the incidental fund to the teachers' fund that is necessary for the total payment of all contracted obligations to teachers. If a balance remains in the debt service fund, after the total outstanding indebtedness for which the fund was levied is paid, the board may transfer the unexpended balance to the capital projects fund. If a balance remains in the bond proceeds after completion of the project for which the bonds were issued, the balance shall be transferred from the incidental or capital projects fund to the debt service fund. After making all placements of interest otherwise provided by law, a school district may transfer from the capital projects fund to the incidental fund the interest earned from undesignated balances in the capital projects fund. A school district may borrow from one of the following funds: teachers' fund, incidental fund or capital projects fund, as necessary to meet obligations in another of those funds; provided that the full amount is repaid to the lending fund within the same fiscal year.

3. Tuition shall be paid from either the teachers' or incidental funds.

4. Other provisions of law to the contrary notwithstanding, the school board of a school district that satisfies the criteria specified in subsection 5 of this section may transfer from the incidental fund to the capital projects fund an amount not to exceed the greater of zero or the sum of .18 dollars per one hundred dollars equalized assessed valuation multiplied by the guaranteed tax base for the second preceding year multiplied by the number of resident and nonresident eligible pupils educated in the district for the second preceding year and the amount to be expended for transportation equipment that is considered an allowable cost under state board of education rules for transportation reimbursements during the current year and any amount necessary to satisfy obligations of the capital projects fund for

state-approved area vocational-technical schools and an amount not to exceed .06 dollars per one hundred dollars equalized assessed valuation multiplied by the guaranteed tax base for the second preceding year multiplied by the number of resident and nonresident eligible pupils educated in the district for the second preceding year less any amount transferred pursuant to subsection 7 of this section, provided that any amount transferred pursuant to this subsection shall only be transferred as necessary to satisfy obligations of the capital projects fund less any amount expended from the incidental fund for classroom instructional capital outlay pursuant to subsection 2 of this section. For the purposes of this subsection, the guaranteed tax base and a district's count of resident and nonresident eligible pupils educated in the district shall not be less than their respective values calculated from data for the 1992-93 school year.

5. In order to transfer funds pursuant to subsection 4 of this section, a school district shall:

(1) Meet the minimum criteria for state aid and for increases in state aid for the current year established pursuant to section 163.021, RSMo;

(2) Not incur a total debt, including short-term debt and bonded indebtedness in excess of ten percent of the guaranteed tax base for the preceding payment year multiplied by the number of resident and nonresident eligible pupils educated in the district in the preceding year;

(3) Set tax rates pursuant to section 164.011, RSMo;

(4) First apply any voluntary rollbacks or reductions to the total tax rate levied to the teachers' and incidental funds;

(5) In order to be eligible to transfer funds for paying lease purchase obligations:

(a) Incur such obligations, except for obligations for lease purchase for school buses, prior to January 1, 1997;

(b) Limit the term of such obligations to no more than twenty years;

(c) Limit annual installment payments on such obligations to an amount no greater than the amount of the payment for the first full year of the

obligation, including all payments of principal and interest, except that the amount of the final payment shall be limited to an amount no greater than two times the amount of such first-year payment;

(d) Limit such payments to leasing nonathletic, classroom, instructional facilities as defined by the state board of education through rule; and

(e) Not offer instruction at a higher grade level than was offered by the district on July 12, 1994.

6. A school district shall be eligible to transfer funds pursuant to subsection 7 of this section if:

(1) Prior to August 28, 1993:

(a) The school district incurred an obligation for the purpose of funding payments under a lease purchase contract authorized under section 177.088, RSMo;

(b) The school district notified the appropriate local election official to place an issue before the voters of the district for the purpose of funding payments under a lease purchase contract authorized under section 177.088, RSMo; or

(c) An issue for funding payments under a lease purchase contract authorized under section 177.088, RSMo, was approved by the voters of the district; or

(2) Prior to November 1, 1993, a school board adopted a resolution authorizing an action necessary to comply with subsection 9 of section 177.088, RSMo. Any increase in the operating levy of a district above the 1993 tax rate resulting from passage of an issue described in paragraph (b) of subdivision (1) of this subsection shall be considered as part of the 1993 tax rate for the purposes of subsection 1 of section 164.011, RSMo.

7. Prior to transferring funds pursuant to subsection 4 of this section, a school district may transfer, pursuant to this subsection, from the incidental fund to the capital projects fund an amount as necessary to satisfy an obligation of the capital projects fund that satisfies at least one of the conditions specified in subsection 6 of this section, but not to exceed its payments authorized under

section 177.088, RSMo, for the purchase or lease of sites, buildings, facilities, furnishings, equipment, and all other expenditures for capital outlay, plus the amount to be expended for transportation equipment that is considered an allowable cost under state board of education rules for transportation reimbursements during the current year plus any amount necessary to satisfy obligations of the capital projects fund for state-approved area vocational-technical schools. A school district with a levy for school purposes no greater than the minimum levy specified in section 163.021, RSMo, and an obligation in the capital projects fund that satisfies at least one of the conditions specified in subsection 6 of this section, may transfer from the incidental fund to the capital projects fund the amount necessary to meet the obligation plus the transfers pursuant to subsection 4 of this section.

8. Beginning in the 1995-96 school year, the department of elementary and secondary education shall deduct from a school district's state aid calculated pursuant to section 163.031, RSMo, an amount equal to the amount of any transfer of funds from the incidental fund to the capital projects fund performed during the previous year in violation of this section; **except that the state aid shall be deducted in equal amounts over the five school years following the school year of an unlawful transfer provided that:**

**(1) The district shall provide written notice to the state board of education, no later than June first of the first school year following the school year of the unlawful transfer, stating the district's intention to comply with the provisions of subdivisions (1) to (4) of this subsection and have state aid deducted for that unlawful transfer over a five-year period;**

**(2) On or before September first of the second school year following the school year of the unlawful transfer, the district shall approve an increase to the district's operating levy for school purposes to the greater of: two dollars and seventy-five cents per one hundred dollars assessed valuation or the levy which produces an increase in total state and local revenues, as determined by the department, in comparison to the first school year following the school year of**

**the unlawful transfer which is equal to or greater than the amount of state aid to be deducted pursuant to this subsection each school year for such unlawful transfer, provided that increases required pursuant to this subdivision for subsequent unlawful transfers shall be made in comparison to the latter tax rate described in this subdivision;**

**(3) During each school year after the school year in which the operating levy is increased pursuant to subdivision (2) of this subsection and in which state aid is deducted pursuant to subdivisions (1) to (4) of this subsection, the district shall maintain an operating levy for school purposes which produces total state and local revenues for the district which are no less than the total state and local revenues produced by the levy required pursuant to subdivision (2) of this subsection;**

**(4) During each school year state aid is deducted pursuant to subdivisions (1) to (4) of this subsection except for the 1998-99 school year, the district shall maintain compliance with the requirements of section 165.016 without any recourse to waivers or base year adjustments and without the option to demonstrate compliance based upon the district's fund balances; and**

**(5) If, in any school year state aid is deducted pursuant to subdivisions (1) to (4) of this subsection, the district fails to comply with any requirement of subdivisions (1) to (4) of this subsection, the full, remaining amount of state aid to be deducted pursuant to this subsection shall be deducted from the district's state aid payments by the department during such school year.**

9. On or before June 30, 1999, a school district may transfer to the capital projects fund from the balances of the teachers' and incidental funds any amount, but only to the extent that the amount transferred is equal to or less than the amount that the teachers' and incidental [fund] funds' unrestricted balances on June 30, 1995, exceeded eight percent of expenditures from the teachers' and incidental funds for the year ending June 30, 1995.

10. (1) Other provisions of law to the contrary

notwithstanding, a school district which satisfies all conditions specified in subdivision (2) of this subsection may make the transfer allowed in subdivision (3) of this subsection.

(2) To make the transfer allowed under subdivision (3) of this subsection, a school district shall:

(a) Have a membership count for school year 1997-98 which is at least sixteen percent greater than the district's membership count for the 1991-92 school year; and

(b) Have passed a full waiver of Proposition C tax rate rollback pursuant to section 164.013, RSMo, or approved an increase to the district's tax rate ceiling on or after June 1, 1994; and

(c) Be in compliance or have paid all penalties required pursuant to section 165.016 for the 1994-95, 1995-96 and 1996-97 school years without waiver or adjustment of the base school year certificated salary percentage; and

(d) After all transfers, have a remaining balance on June 30, 1998, in the combined teachers' and incidental funds which is no less than ten percent of the combined expenditures from those funds for the 1997-98 school year.

(3) A district which satisfies all of the criteria specified in paragraphs (a) to (d) of subdivision (2) of this subsection may, on or before June 30, 1998, make a one-time combined transfer from the teachers' and incidental funds to the capital projects fund of an amount no greater than the sum of the following amounts:

(a) The product of the district's equalized assessed valuation for 1994 times the difference of the district's equalized operating levy for school purposes for 1994 minus the district's equalized operating levy for school purposes for 1993;

(b) The product of the district's equalized assessed valuation for 1995 times the difference of the district's equalized operating levy for school purposes for 1995 minus the district's equalized operating levy for school purposes for 1993;

(c) The product of the district's equalized assessed valuation for 1996 times the difference of the district's equalized operating levy for school

purposes for 1996 minus the district's equalized operating levy for school purposes for 1993;

(d) The product of the district's equalized assessed valuation for 1997 times the difference of the district's equalized operating levy for school purposes for 1997 minus the district's equalized operating levy for school purposes for 1993; provided that the remaining balance in the incidental fund shall be no less than twelve percent of the total expenditures during that fiscal year from the incidental fund.

(4) A district which makes a transfer pursuant to subdivision (3) of this subsection shall be subject to compliance with the requirements of section 165.016 for fiscal years 1999, 2000 and 2001, without the option to request a waiver or an adjustment of the base school year certificated salary percentage.

(5) Other provisions of section 165.016 to the contrary notwithstanding, the transfer of an amount of funds from either the teachers' or incidental funds to the capital projects fund pursuant to subdivision (3) of this subsection shall not be considered an expenditure from the teachers' or incidental fund for the purpose of determining compliance with the provisions of subsections 1 and 2 of section 165.016.

11. In addition to other transfers authorized under subsections 1 to 9 of this section, a district may transfer from the teachers' and incidental funds to the capital projects fund the amount necessary to repay costs of one or more guaranteed energy savings performance contracts to renovate buildings in the school district; provided that the contract is only for energy conservation measures, as defined in section 640.651, RSMo, and provided that the contract specifies that no payment or total of payments shall be required from the school district until at least an equal total amount of energy and energy-related operating savings and payments from the vendor pursuant to the contract have been realized by the school district."; and

Further amend said bill, page 40, Section 170.059, line 3 of said page, by inserting immediately after said line the following:

"Section B. Because of the urgent need to



revise state penalties for certain fund transfer violations, section 165.011 of this act is deemed necessary for the immediate preservation of the public health, welfare, peace and safety, and is hereby declared to be an emergency act within the meaning of the constitution, and this act shall be in full force and effect upon its passage and approval."; and

Further amend the title and enacting clause accordingly.

Senator Singleton moved that the above amendment be adopted.

Senator Maxwell raised the point of order that SA 8 is out of order as it goes beyond the scope and purpose of the bill.

The point of order was referred to the President Pro Tem, who ruled it well taken.

Senator Steelman offered SA 9:

SENATE AMENDMENT NO. 9

Amend Senate Substitute for Senate Committee Substitute for House Substitute for House Bill No. 516, Page 7, Section 147.010, Line 9, by inserting after all of said line the following:

"Section 1. 1. As used in this act, the following terms shall mean:

(1) "Contribution", a donation of cash, stock, bonds or other marketable securities or real property;

(2) "Director", the director of the department of economic development;

(3) "Scholarship charity", a charitable organization in this state that is exempt from federal taxation pursuant to section 501(c)(3) of the Internal Revenue Code, as amended, and that allocates at least ninety percent of its annual revenue for educational scholarships to children to allow them to attend a qualified school. For purposes of this section, the phrase "qualified school" means any elementary or secondary school of a child's parents' choice which is situated in this state and does not discriminate on the basis of race, color, handicap, national origin or ancestry which a child may attend to meet the requirements of

section 167.031, RSMo. To qualify as a scholarship charity the charitable organization shall provide educational scholarships to students without limiting availability to students attending a particular school and shall give preference to students of families who demonstrate financial need;

(4) "State tax liability", in the case of a business taxpayer, any liability incurred by such taxpayer pursuant to the provisions of chapter 143, RSMo, chapter 147, RSMo, chapter 148, RSMo, and chapter 153, RSMo, exclusive of the provisions relating to the withholding of tax as provided for in sections 143.191 to 143.265, RSMo, and related provisions, and in the case of an individual taxpayer, any liability incurred by such taxpayer pursuant to the provisions of chapter 143, RSMo;

(5) "Taxpayer", a person, firm, a partner in a firm, corporation or shareholder in an S corporation doing business in the state of Missouri and subject to the state income tax imposed by the provisions of chapter 143, RSMo, or a corporation subject to the annual corporation franchise tax imposed by the provisions of chapter 147, RSMo, or an insurance company paying an annual tax on its gross premium receipts in this state, or other financial institution paying taxes to the state of Missouri or any political subdivision of this state pursuant to the provisions of chapter 148, RSMo, or an express company which pays an annual tax on its gross receipts in this state pursuant to chapter 153, RSMo, or an individual subject to the state income tax imposed by the provisions of chapter 143, RSMo.

2. A taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax liability, in an amount equal to fifty percent of the amount such taxpayer contributed to a scholarship charity. However, the tax credit shall not be allowed if the taxpayer designates the taxpayer's donation for the direct benefit of any dependent of the taxpayer.

3. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's

state tax liability for the taxable year that the credit is claimed, and such taxpayer shall not be allowed to claim a tax credit in excess of fifty thousand dollars per taxable year. However, any amount of credit that cannot be claimed in the taxable year the contribution was made may be carried over to the next four succeeding taxable years until the full credit has been claimed.

4. Except for any excess credit which is carried over pursuant to subsection 3 of this section, a taxpayer shall not be allowed to claim a tax credit unless the total amount of such taxpayer's contribution to a scholarship charity in such taxpayer's taxable year has a value of at least one hundred dollars.

5. The director shall determine, at least annually, which charities in this state may be classified as scholarship charities. The director may require a charity seeking to be classified as a scholarship charity to whatever information is reasonably necessary to make a determination. The director shall classify a charity as a scholarship charity if such charity meets the definition set forth in subdivision (3) of subsection 1 of this section.

6. The director shall establish a procedure by which a taxpayer can determine if a charity has been classified as a scholarship charity, and by which such taxpayer can then contribute to such scholarship charity and claim a tax credit. The cumulative amount of tax credits which may be claimed by all the taxpayers contributing to scholarship charities in any one fiscal year shall not exceed five million dollars.

7. The director shall establish a procedure by which, from the beginning of the fiscal year until some point in time later in the fiscal year to be determined by the director, the cumulative amount of tax credits are equally apportioned among all charities classified as scholarship charities. If a scholarship charity fails to use all, or some percentage to be determined by the director, of its apportioned tax credits during this predetermined period of time, the director may reapportion these unused tax credits to those scholarship charities that have used all, or some percentage to be determined by the director, of their apportioned tax credits during

this predetermined period of time. The director may establish more than one period of time and reapportion more than once during each fiscal year. To the maximum extent possible, the director shall establish the procedure described in this subsection in such a manner as to ensure that taxpayers can claim all the tax credits possible up to the cumulative amount of tax credits available for the fiscal year.

8. 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, RSMo."; and

Further amend title and enacting clause accordingly.

Senator Steelman moved that the above amendment be adopted.

Senator Jacob requested a roll call vote be taken on **SA 9** and was joined in his request by Senators Caskey, Childers, House and Westfall.

**SA 9** failed of adoption by the following vote:

YEAS—Senators

Clay	Ehlmann	Flotron	Graves	
Kenney		Kinder	Klarich	Mueller
Schneider		Scott	Sims	Steelman
Wiggins		Yeckel—14		

NAYS—Senators

Banks	Bentley	Bland	Caskey
Childers	Goode	House	Howard
Jacob	Johnson	Mathewson	Maxwell
Quick	Rohrbach	Russell	Singleton
Staples	Stoll	Westfall—19	

Absent—Senator DePasco—1

Absent with leave—Senators—None

Senator Scott offered **SA 10**:

SENATE AMENDMENT NO. 10

Amend Senate Substitute for Senate Committee Substitute for House Substitute for House Bill No. 516, Page 1, Section A, Line 5, by inserting immediately after said line the following:

"33.080. All fees, funds and moneys from whatsoever source received by any department,

board, bureau, commission, institution, official or agency of the state government by virtue of any law or rule or regulation made in accordance with any law, **excluding all funds received and/or dispersed by the state in behalf of counties and cities, towns and villages** shall, by the official authorized to receive same, and at stated intervals of not more than thirty days, be placed in the state treasury to the credit of the particular purpose or fund for which collected, and shall be subject to appropriation by the general assembly for the particular purpose or fund for which collected during the biennium in which collected and appropriated. The unexpended balance remaining in all such funds (except such unexpended balance as may remain in any fund authorized, collected and expended by virtue of the provisions of the constitution of this state) shall at the end of the biennium and after all warrants on same have been discharged and the appropriation thereof has lapsed, be transferred and placed to the credit of the ordinary revenue fund of the state by the state treasurer. Any official or any person who shall wilfully fail to comply with any of the provisions of this section, and any person who shall wilfully violate any provision hereof, shall be deemed guilty of a misdemeanor; provided, that all such money received by the curators of the university of Missouri except those funds required by law or by instrument granting the same to be paid into the seminary fund of the state, is excepted therefrom, and in the case of other state educational institutions there is excepted therefrom, gifts or trust funds from whatever source; appropriations; gifts or grants from the federal government, private organizations and individuals; funds for or from the federal government, private organizations and individuals; funds for or from student activities; farm or housing activities; and other funds from which the whole or some part thereof may be liable to be repaid to the person contributing the same; and hospital fees. All of the above excepted funds shall be reported in detail quarterly to the governor and biennially to the general assembly.

136.110. The director of revenue shall promptly record all sums of money collected or received by him and shall immediately thereafter deposit the same with the state treasurer **excluding all funds**

**received and/or dispersed by the state in behalf of counties and cities, towns and villages.** The state treasurer, upon receipt of any moneys from the director of revenue, shall give his receipt therefor, executing the same in triplicate, and shall deliver on copy of such receipt to the director of revenue, one copy to the commissioner of administration, and shall retain the third copy thereof in the files of the state treasurer. The books of the director of revenue shall be audited by the state auditor at such times as may be required by law, and at such other times as may be directed by the governor."; and

Further amend the title and enacting clause accordingly.

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

Senator Childers offered SA 11:

#### SENATE AMENDMENT NO. 11

Amend Senate Substitute for Senate Committee Substitute for House Substitute for House Bill No. 516, Page 17, Section 147.010, Line 9, by inserting after all of said section the following:

**"Section 1. 1. An eligible small business, as defined in section 44 of the Internal Revenue Code, shall be allowed a credit not to exceed five thousand dollars against the tax otherwise due pursuant to chapter 143, RSMo, not including sections 143.191 to 143.265, RSMo, in an amount equal to fifty percent of all eligible access expenditures exceeding the monetary cap provided by section 44 of the Internal Revenue Code. For purposes of this section, "eligible access expenditures" means amounts paid or incurred by the taxpayer in order to comply with applicable access requirements provided by the Americans With Disabilities Act of 1990, as further defined in section 44 of the Internal Revenue Code and federal rulings interpreting section 44 of the Internal Revenue Code.**

**2. The tax credit allowed by this section shall be claimed by the taxpayer at the time such taxpayer files a return. Any amount of tax credit which exceeds the tax due shall be carried over to any subsequent taxable year, but shall**

**not be refunded and shall not be transferrable.**

**3. The director of revenue shall promulgate rules and regulations to administer 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, RSMo.**

**4. This section shall become effective on January 1, 2000, and shall apply to all taxable years beginning after December 31, 1999.";** and

Further amend the title and enacting clause accordingly.

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

Senator Flotron offered **SA 12:**

**SENATE AMENDMENT NO. 12**

Amend Senate Substitute for Senate Committee Substitute for House Substitute for House Bill No. 516, Page 1, Section Title, Line 5, of said page, by inserting after "subject" the following: "; with an emergency clause for certain sections"; and

Further amend said bill, page 1, Section A, Line 5 of said page, by inserting after all of said line the following:

"136.300. [In any proceeding before the director of revenue or upon review by the administrative hearing commission, the burden of proof shall be on the taxpayer except for the following issues, as to which the burden of proof shall be on the director of revenue:

(1) Whether the taxpayer has been guilty of fraud with attempt to evade tax;

(2) Whether the petitioner is liable as the transferee of property of a taxpayer (but not to show that the taxpayer was liable for the tax); and

(3) Whether the taxpayer is liable for any increase in a deficiency where such increase is asserted initially after the notice of deficiency was mailed and protest filed, unless such increase in deficiency is the result of change or correction of federal taxable income required to be reported by the taxpayer, and of which change or correction the director of revenue had no knowledge or notice at

the time he mailed the notice of deficiency.] **1. With respect to any issue relevant to ascertaining the tax liability of a taxpayer all laws of the state imposing a tax shall be strictly construed against the taxing authority in favor of the taxpayer. The director of revenue shall have the burden of proof with respect to any factual issue relevant to ascertaining the liability of a taxpayer provided, however, only if:**

(1) The taxpayer has produced evidence that establishes that there is a reasonable dispute with respect to the issue; and

(2) The taxpayer has adequate records of its transactions and has cooperated with reasonable requests by the director of revenue for witnesses, information, documents, meetings and interviews.

**136.303. 1. Audit findings conducted by the department of revenue shall be accompanied, upon written request by the taxpayer under audit, by a statement from the supervising auditor of the basis for such findings, including relevant statutes, regulations, case law and private letter rulings, if applicable.**

**2. Any taxpayer who has been determined to be an innocent spouse pursuant to section 6015 of the Internal Revenue Code and who filed a combined state income tax return for the same taxable year shall be considered an innocent spouse for state income tax purposes, and shall be accorded the same protections and relief of liability as provided under the federal law.**

**3. All agents and employees of the department of revenue shall be subject to the same provisions of the Fair Debt Collections Practices Act as made applicable to the Internal Revenue Service pursuant to the Internal Revenue Service Restructuring and Reform Act of 1998. A taxpayer shall have standing to bring a civil action for damages limited to the actual economic loss, subject to appropriation, against the department of revenue in the circuit court of the county in which the taxpayer resides for any collection practice which violates these provisions.";** and

Further amend said bill, Pages 4-7, Section 147.010, by striking all of said lines and inserting in lieu thereof the following:

"147.010. 1. For the transitional year defined in subsection 4 of this section and each taxable year beginning on or after January 1, 1980, **but before January 1, 2000**, every corporation organized [under] **pursuant** or subject to chapter 351, RSMo, or [under] **pursuant to** any other law of this state shall, in addition to all other fees and taxes now required or paid, pay an annual franchise tax to the state of Missouri equal to one-twentieth of one percent of the par value of its outstanding shares and surplus if its outstanding shares and surplus exceeds two hundred thousand dollars, or if the outstanding shares of such corporation or any part thereof consist of shares without par value, then, in that event, for the purpose [herein] contained **in this section**, such shares shall be considered as having a value of five dollars per share unless the actual value of such shares [should exceed] **exceeds** five dollars per share, in which case the tax shall be levied and collected on the actual value and the surplus if the actual value and the surplus exceeds two hundred thousand dollars. If such corporation employs a part of its outstanding shares in business in another state or country, then such corporation shall pay an annual franchise tax equal to one-twentieth of one percent of its outstanding shares and surplus employed in this state if its outstanding shares and surplus employed in this state exceeds two hundred thousand dollars, and for the purposes of [this chapter] **sections 147.010 to 147.120**, such corporation shall be deemed to have employed in this state that proportion of its entire outstanding shares and surplus that its property and assets employed in this state bears to all its property and assets wherever located. A foreign corporation engaged in business in this state, whether under a certificate of authority issued [under] **pursuant to** chapter 351, RSMo, or not, shall be subject to this section. Any corporation whose outstanding shares and surplus as calculated [above] **in this subsection** does not exceed two hundred thousand dollars shall state that fact on [a] **the annual report** form prescribed by the secretary of state. **For all taxable years beginning on or after January 1, 2000, the annual franchise tax**

**shall be equal to one-fortieth of one percent of the par value of the corporation's outstanding shares and surplus on the outstanding shares and surplus which exceeds one million dollars. Any corporation whose outstanding shares and surplus does not exceed one million dollars shall state that fact on the prescribed form.**

2. **For all taxable years beginning on or after January 1, 2000, any corporation owning franchise tax may deduct an amount equal to the tax due up to five hundred dollars from the amount of franchise tax owed for that taxable year.**

3. [This law] **Sections 147.010 to 147.120** shall not apply to corporations not organized for profit, nor to corporations organized [under] **pursuant to** the provisions of chapter 349, RSMo, nor to express companies, which now pay an annual tax on their gross receipts in this state, nor to insurance companies, which pay an annual tax on their premium receipts in this state, **nor to state, district, county, town and farmers' mutual companies now organized or that may be hereafter organized under any of the laws of this state, organized for the sole purpose of writing fire, lightning, windstorm, tornado, cyclone, hail and plate glass and mutual automobile insurance and for the purpose of paying any loss incurred by any member by assessment, nor to any mutual insurance corporation not having shares, nor to a company or association organized to transact business of life or accident insurance on the assessment plan for the purpose of mutual protection and benefit to its members and the payment of stipulated sums of money to the family, heirs, executors, administrators or assigns of the deceased member, nor to foreign life, fire, accident, surety, liability, steam boiler, tornado, health or other kind of insurance company of whatever nature coming within the provisions of section 147.050 and doing business in this state, nor to savings and loan associations and domestic and foreign regulated investment companies as defined by section 170 of the act of Congress commonly known as the "Revenue Act of 1942", nor to electric and telephone corporations organized [under chapters] **pursuant to chapter****

351, RSMo, and **chapter 392, RSMo**, prior to January 1, 1980, which have been declared tax exempt organizations [under] **pursuant to** section 501(c) of the Internal Revenue Code of 1986, nor for taxable years beginning after December 31, 1986, to banking institutions subject to the annual franchise tax imposed by sections 148.010 to 148.110, RSMo; but bank deposits shall be considered as funds of the individual depositor left for safekeeping and shall not be considered in computing the amount of tax collectible [under] **pursuant to** the provisions of [this chapter] **sections 147.010 to 147.120.**

[3.] **4.** A corporation's "taxable year" for purposes of [this chapter] **sections 147.010 to 147.020** shall be its taxable year as provided in section 143.271, RSMo.

[4.] **5.** A corporation's "transitional year" for the purposes of [this chapter] **sections 147.010 to 147.020** shall be its taxable year which includes parts of each of the years 1979 and 1980.

[5.] **6.** The franchise tax payable for a corporation's transitional year shall be computed by multiplying the amount otherwise due for that year by a fraction, the numerator of which is the number of months between January 1, 1980, and the end of the taxable year and the denominator of which is twelve. The franchise tax payable, if a corporation's taxable year is changed as provided in section 143.271, RSMo, shall be similarly computed [under] **pursuant to** regulations prescribed by the [secretary of state] **director of revenue.**

[6.] **7.** All franchise reports and franchise taxes shall be returned to the [secretary of state who shall transfer such taxes to the director of revenue] **director of revenue.** All checks and drafts remitted for payment of franchise taxes shall be made payable to the director of revenue.

[7.] **8.** **Pursuant to** section 32.057, RSMo, [shall apply to the secretary of state as equally as it applies to the director of revenue and the secretary of state] **the director of revenue** shall maintain the confidentiality of all franchise tax reports returned to [him. Such reports, however, may be made available at any time to the director of revenue and the director of revenue will maintain their

confidentiality] **the director.**

**9. The director of the department of revenue shall honor all existing agreements between taxpayers and the director of the department of revenue.**

147.020. 1. For each taxable year beginning on or after January 1, 1980, every corporation liable to the tax prescribed in section 147.010 shall make a report in writing showing the financial condition of the corporation at the beginning of business on the first day of its taxable year to the [secretary of state] **director of revenue** annually on or before the [fifteenth day of the fourth month of the corporation's taxable year] **due date of the corporation's state income tax return as set forth in chapter 143, RSMo**, in such form as the [secretary of state] **director of revenue** may prescribe. The report shall be signed by an officer of the corporation.

2. For each taxable year beginning on or after January 1, 1980, if a corporation [shall obtain] **obtains** an extension of time for filing its annual Missouri income tax return pursuant to section 143.551, RSMo, such corporation [will] **shall** also be granted a corresponding extension of time for filing the report required [under this chapter] **pursuant to sections 147.010 to 147.020** for its taxable year immediately succeeding the taxable year for which the income tax extension is granted. [At the time the corporation files its annual corporate report, it shall inform the secretary of state in writing of such extension.]

3. Every corporation having a transitional year liable for the tax prescribed in section 147.010 shall make a report in writing, showing the financial condition of the corporation at the beginning of business on the first day of its transitional year, on or before April 15, 1980, in such form as the director may prescribe. The report shall be signed by an officer of the corporation.

147.030. 1. For each taxable year beginning on or after January 1, 1980, the franchise tax provided for in this chapter shall be paid on or before the [fifteenth day of the fourth month of the corporation's taxable year] **due date of the corporation's state income tax return as set**

**forth in chapter 143, RSMo.**

2. For each taxable year beginning on or after January 1, 1980, if a corporation shall obtain an extension of time for paying its annual Missouri income tax pursuant to section 143.551, RSMo, such corporation will also be granted a corresponding extension of time for paying the franchise tax due under this chapter for its taxable year immediately succeeding the taxable year for which the income tax extension is granted.

3. If the time for filing the franchise tax report is extended under section 147.020, but the time for payment of the franchise tax is not extended under this section, the corporation shall pay, [on or before the fifteenth day of the fourth month of its taxable year] **by the due date as prescribed in this section**, the amount properly estimated as its franchise tax for the taxable year.

4. Every corporation having a transitional year shall pay the franchise tax provided for in this chapter on or before the fifteenth day of April 1980.

147.040. 1. As soon as practical after a corporation's franchise tax report is filed, the [secretary of state] **director of revenue** shall examine it to determine the correct amount of tax based upon the facts contained in the report or upon any information within [his] **the director's** possession or that may come into [his] **the director's** possession. [The director of revenue may provide any additional information to the secretary of state for the purpose of determining the correct tax and that additional information shall be kept confidential pursuant to section 147.010.]

2. In the event that the amount of tax is understated on a corporation's franchise tax report, the [secretary of state] **director of revenue** shall notify the corporation that an amount of tax in excess of that shown on the return is due and has been assessed. Such assessment shall be final unless the corporation files a protest with the [secretary of state] **director of revenue**, setting forth the grounds on which the protest is based, within [thirty] **sixty** days from the date the notice of assessment was mailed to the corporation.

3. If a protest is filed, the [secretary of state]

**director of revenue** shall reconsider the assessment, and, if the corporation has so requested, shall grant the corporation a hearing within ninety days after the protest is filed unless extended by agreement between the corporation and the [secretary of state] **director of revenue**.

4. Notice of the [secretary of state's] **director of revenue's** determination shall be mailed to the corporation by certified or registered mail and such notice shall set forth briefly the [secretary of state's] **director of revenue's** findings of fact and the basis of decision in each case decided in whole or in part adversely to the corporation.

5. The action of the [secretary of state] **director of revenue** on the corporation's protest is final upon the expiration of thirty days from the date when [he] **the director** mails notice of [his] **the director's** action to the corporation unless within this period the corporation seeks review of the [secretary of state's] **director of revenue's** determination by the administrative hearing commission.

6. In the event that the amount of tax is overstated on a corporation's franchise tax report, the [secretary of state] **director of revenue** shall notify the corporation that the tax paid is more than the correct amount and credit such overpayment against any tax, interest, **additions to tax** or penalties due from such corporation and refund the difference.

7. No assessment or refund shall be made unless the amount exceeds [one dollar] **ten dollars**.

8. If any corporation subject to the provisions of [this chapter shall fail or neglect] **sections 147.010 to 147.020 fails or neglects** to make the report required by sections 147.010 to 147.120 or pay its franchise taxes within ninety days after the time required by sections 147.010 to 147.120 (determined with regard to any extension of time for filing its franchise tax report or for the payment of its franchise tax), such corporation, if organized [under] **pursuant to** the laws of this state, shall be administratively dissolved [under] **pursuant to** the provisions of sections 351.484 and 351.486, RSMo, or if a foreign corporation, shall have its certificate of authority revoked [under] **pursuant**

to the provisions of sections 351.598 and 351.602, RSMo.

147.050. 1. For each taxable year beginning on or after January 1, 1980, every corporation organized [under] **pursuant to** any laws of this state and every foreign corporation engaged in business in this state and having no shares shall make a report in writing to the [secretary of state] **director of revenue**, annually, on or before the fifteenth day of the fourth month of the corporation's taxable year, in the form as the [secretary of state] **director of revenue** may prescribe.

2. The report shall be signed by an officer of the corporation, and forwarded to the [secretary of state; provided, that all state, district, county, town and farmers' mutual companies now organized or that may be hereafter organized under any of the laws of this state, organized for the sole purpose of writing fire, lightning, windstorm, tornado, cyclone, hail and plate glass and mutual automobile insurance and for the purpose of paying any loss incurred by any member by assessment, shall not be required to make reports and shall be exempt from all the provisions of this section and chapter and shall not be required to pay any fees as in this chapter provided] **director of revenue**.

3. Every corporation having a transitional year and coming under the provisions of this section shall make the report required [hereunder] **in this section** on or before the fifteenth day of April, 1980.

[147.070. 1. Every corporation organized as a mutual insurance corporation not having shares, or any other corporation not organized strictly for religious, charitable or educational purposes and having no shares or of a company or association organized to transact business of life or accident insurance on the assessment plan for the purpose of mutual protection and benefit to its members and the payment of stipulated sums of money to the family, heirs, executors, administrators or assigns of the deceased member thereof shall in addition

to filing the report prescribed in section 147.050 pay an annual fee of twenty-five dollars.

2. All foreign life, fire, accident, surety, liability, steam boiler, tornado, health, or other kind of insurance company of whatever nature coming within the provisions of section 147.050 and doing business in this state having outstanding shares with stated capital of less than five hundred thousand dollars shall pay an annual fee of fifty dollars, and all other such insurance companies having outstanding shares with stated capital of more than five hundred thousand dollars an annual fee of one hundred dollars for the privilege of doing business in this state, and all savings and loan associations and domestic and foreign regulated investment companies as defined by section 170 of the act of Congress commonly known as the "Revenue Act of 1942", as now existing or hereafter amended, to pay an annual fee to the state of twenty-five dollars for the privilege of doing business in this state in place of the fee based on the outstanding shares and surplus as herein provided.

3. For each taxable year beginning on or after January 1, 1980, any corporation coming under the provisions of this section shall pay the fee stipulated hereunder on or before the fifteenth day of the fourth month of the corporation's taxable year.

4. Every corporation having a transitional year and coming under the provisions of this section shall compute the fee due hereunder as provided in subsection 6 of section 147.010 and pay such fee on or before the fifteenth day of April 1980.]

[147.080. All insurance companies, savings and loan associations, and other corporations, the fees of which are fixed



at lump sums by this chapter, shall not be required to set out in the report required by this chapter, the value of its property within this state or without this state.]

147.100. If any corporation fails or refuses to make full and complete answers to the questions contained in the report required to be filed by it, or if the director of revenue [or secretary of state] finds that any answer contained in such report is untrue, or if the director [or secretary of state] has reason to believe that any corporation has made a false statement or concealed any facts which are material in determining the amount of tax for which such corporation is liable [under] **pursuant to the provisions of [this chapter] sections 147.010 to 147.020**, then the director [or secretary of state] may require the delinquent corporation, its officers, agents, or employees to furnish information concerning its shares which is necessary in determining the tax to be paid by it. Any corporation may seek a review of the determination of the tax due by the administrative hearing commission.

147.120. 1. If any corporation fails or refuses to pay the taxes (including interest and penalties) assessed against it after such assessment becomes final, the [secretary of state] **director of revenue** shall certify a list of the corporations so delinquent to the attorney general who shall proceed forthwith to collect the same. Suits for the collection of the taxes may be brought in the name of the state in any court of competent jurisdiction and any judgment rendered [therein] **in such court** in favor of the state shall be a first lien on all properties and assets of the corporation within this state.

2. **The director of revenue shall notify the secretary of state of any corporation that fails to refuse to pay the taxes, including interest and penalties, assessed against it after such assessment becomes final and the secretary of state shall then undertake to administratively dissolve any domestic corporation that is delinquent pursuant to section 351.486, RSMo, and shall undertake to revoke the certificate of authority of any foreign corporation that is delinquent pursuant to section 351.602, RSMo.**

3. Any tax provided for [under] **pursuant to** sections 147.010 to 147.120 not paid on or before the last day prescribed for payment [under] **pursuant to** sections 147.010 to 147.120 (determined with regard to any extension of time for payment) shall be collected with a penalty of five percent per month or fractional part thereof until paid, not exceeding twenty-five percent in the aggregate. Interest at the rate determined by section 32.065, RSMo, shall be added to any tax not paid on or before the date due [under] **pursuant to** sections 147.010 to 147.120 (determined without regard to any extension of time for payment). Nothing in sections 147.010 to 147.120 shall be construed so as to permit any officer of this state to remit or abate such interest.

[3.] 4. If any corporation fails to pay any tax due within the time prescribed [under] **pursuant to** sections 147.010 to 147.120 or if any corporation makes errors and omissions in reports or payments, and the [secretary of state] **director of revenue** determines that such action is the result of mistake or is due to circumstances beyond reasonable control and that such delinquency or inaccuracy was unavoidable or devoid of any intent to evade the tax, the [secretary of state] **director of revenue** may, at [his] **the director's** discretion, waive any penalty that would otherwise be imposed.

[4. On the first business day in January each year, the state treasurer shall certify to the secretary of state the average auction yield on one-year United States treasury bills during the preceding twelve months. This] 5. **The director of revenue shall set the interest rate as determined in section 32.065, RSMo. Such** interest rate shall be paid on all overpayments for the ensuing calendar year. The interest shall accrue from the due date or the date of overpayment, whichever is later. No interest shall be allowed or paid if overpayment is refunded within four months after the franchise tax report is filed.

[5.] 6. Any notice of assessment of franchise tax due shall be mailed to the corporation within three years after the report was filed. The provisions of this subsection shall apply to all reports filed after December 31, 1981.

[6.] **7.** If no report is filed or if a false and fraudulent report is filed, a notice of assessment of franchise tax due may be mailed to the corporation at any time.

[7.] **8.** If fraud or evasion on the part of a corporation or anyone on behalf of a corporation is discovered, the [secretary of state] **director of revenue** shall determine the amount of which the state has been defrauded, shall add to the amount so determined a penalty equal to [twenty-five] **fifty** percent thereof, and shall assess the same against the corporation. The amount so assessed shall be immediately due and payable; except that, the [secretary of state] **director of revenue** shall promptly thereafter give to such corporation written notice of such assessment and penalty, which notice shall be served by registered mail. Such corporation shall have the right to petition for hearing of such assessment, as is provided in sections 147.010 to 147.120.

[8.] **9.** Any person who willfully makes a false corporation franchise tax report, or who willfully makes a false statement in any report under oath or otherwise filed with or transmitted to the [secretary of state] **director of revenue** relating to the amount of any franchise tax due [under] **pursuant to** sections 147.010 to 147.120 shall, in addition to other penalties provided by law and upon conviction thereof, be fined not more than ten thousand dollars, or be imprisoned in the county jail for not more than one year or by not less than two nor more than five years in the state penitentiary or by both fine and imprisonment together with the cost of prosecution.

[9.] **10.** The [secretary of state] **director of revenue** shall administer and enforce the tax imposed by sections 147.010 to 147.120, and [he] **the director** is authorized to make such rules and regulations and to require such facts and information to be reported as [he] **the director** may deem necessary to enforce the provisions of sections 147.010 to 147.120.

[10.] **11.** No rule or portion of a rule promulgated [under] **pursuant to** the authority of sections 147.010 to 147.120 shall become effective unless it has been promulgated pursuant to the

provisions of [section 536.024] **chapter 536, RSMo.**

**12. Except as otherwise specifically provided in sections 147.010 to 147.120, the franchise tax shall be administered as prescribed in the following provisions of chapter 143, RSMo: subsections 1 and 4 of section 143.551, RSMo, sections 143.561, 143.571, 143.621, 143.631, 143.641, 143.651, 143.661, 143.681, 143.691, 143.721 and 143.731, RSMo, subsection 1 of section 143.741, RSMo, subsections 1, 2 and 5 of section 143.751, RSMo, sections 143.771 and 143.791, RSMo, subsections 1, 2 and 4 of section 143.811, RSMo, sections 143.831, 143.841 and 143.851, RSMo, subsections 2 and 3 of section 143.861, RSMo, and sections 143.901, 143.902, 143.971 and 143.986, RSMo.**

351.120. Every corporation organized pursuant to the laws of this state, including corporations organized pursuant to or subject to this chapter, and every foreign corporation licensed to do business in this state, whether such license shall have been issued pursuant to this chapter or not, other than corporations exempted from taxation by the laws of this state, shall file an annual corporation registration report [simultaneously with the corporation's franchise tax report] stating its corporate name, the name of its registered agent and such agent's Missouri address, giving street and number, or building and number, or both, as the case may require, the name and correct business or residence address of its officers and directors, and the mailing address of the corporation's principal place of business or corporate headquarters. The annual corporation registration report shall be due on the date that the corporation's franchise tax report is due as required in section 147.020, RSMo, or within thirty days of the date of incorporation of the corporation; but any extension of time for filing the franchise tax report shall not apply to the due date of the annual corporation registration report. Any corporation that is not required to file a franchise tax report shall still be required to file an annual corporation registration report.

351.484. The secretary of state may

commence a proceeding [under] **pursuant to** section 351.486 to dissolve a corporation administratively if:

(1) The corporation [does not pay any franchise taxes or penalties imposed by this chapter within thirty days after such taxes or penalties are due] **fails to pay any final assessment of Missouri corporation franchise tax, as provided in chapter 147, RSMo, and the director of revenue has notified the secretary of state of such failure;**

(2) The corporation does not deliver its annual report to the secretary of state within thirty days after it is due;

(3) The corporation is without a registered agent or registered office in this state for thirty days or more;

(4) The corporation does not notify the secretary of state within thirty days that its registered agent or registered office has been changed, that its registered agent has resigned, or that its registered office has been discontinued;

(5) The corporation's period of duration stated in its articles of incorporation expires;

(6) The corporation procures its franchise through fraud practiced upon the state;

(7) The corporation has continued to exceed or abuse the authority conferred upon it by law, or has continued to violate any section or sections of the criminal law of the state of Missouri after a written demand to discontinue the same [shall have] **has** been delivered by the secretary of state to the corporation, either personally or by mail;

(8) The corporation fails to pay any final assessment of employer withholding tax, as provided in sections 143.191 to 143.265, RSMo, and the director of revenue has notified the secretary of state of such failure; or

(9) The corporation fails to pay any final assessment of sales and use taxes, as provided in chapter 144, RSMo, and the director of revenue has notified the secretary of state of such failure.

351.598. The secretary of state may commence a proceeding [under] **pursuant to** section 351.602 to revoke the certificate of a foreign corporation

authorized to transact business in this state if:

(1) The foreign corporation does not deliver its annual report to the secretary of state within thirty days after it is due;

(2) The foreign corporation [does not pay within thirty days after they are due any franchise taxes or penalties imposed by this chapter] **fails to pay any final assessment of Missouri corporation franchise tax, as provided in chapter 147, RSMo, and the director of revenue has notified the secretary of state of such failure;**

(3) The foreign corporation is without a registered agent or registered office in this state for thirty days or more;

(4) The foreign corporation does not inform the secretary of state [under] **pursuant to** section 351.588 or 351.592 that its registered agent or registered office has changed, that its registered agent has resigned, or that its registered office has been discontinued within thirty days of the change, resignation, or discontinuance;

(5) An incorporator, director, officer, or agent of the foreign corporation signed a document [he] **the person** knew was false in any material respect with intent that the document be delivered to the secretary of state for filing;

(6) The secretary of state receives a duly authenticated certificate from the secretary of state or other official having custody of corporate records in the state or country under whose law the foreign corporation is incorporated stating that it has been dissolved or has disappeared as the result of a merger;

(7) The foreign corporation fails to pay any final assessment of employer withholding tax, as provided in sections 143.191 to 143.265, RSMo, and the director of revenue has notified the secretary of state of such failure; or

(8) The foreign corporation fails to pay any final assessment of sales and use taxes, as provided in chapter 144, RSMo, and the director of revenue has notified the secretary of state of such failure."; and

Further amend said bill, Page 7, Section

147.010, Line 9, by inserting after all of said line the following:

"Section B. Because immediate action is necessary in order to reform the law governing the franchise tax on corporations doing business in this state, sections 147.010, 147.020, 147.030, 147.040, 147.050, 147.100, 147.120, 351.484, 351.120 and 351.598 of this act is deemed necessary for the immediate preservation of the public health, welfare, peace and safety, and is hereby declared to be an emergency act within the meaning of the constitution, and sections 147.010, 147.020, 147.030, 147.040, 147.050, 147.100, 147.120, 351.484, 351.120 and 351.598 of this act shall be in full force and effect upon its passage and approval."; and

Further amend Senate Substitute for Senate Committee Substitute for House Substitute for House Bill 516, Section 147.010, Pages 4, 5, 6 and 7, by striking said section from the bill, and

Further amend the title and enacting clause accordingly.

Senator Flotron moved that the above amendment be adopted.

Senator Jacob raised the point of order that **SA 12** is out of order as it exceeds the scope and purpose of the bill.

The point of order was referred to the President Pro Tem, who ruled it not well taken.

Senator Johnson assumed the Chair.

**SA 12** was again taken up.

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

Senator Wiggins offered **SA 13**:

#### SENATE AMENDMENT NO. 13

Amend Senate Substitute for Senate Committee Substitute for House Substitute for House Bill No. 516, Page 4, Section 143.161, Line 5, by inserting immediately after said line the following:

**"144.051. 1. In addition to the exemptions granted under the provisions of section 144.030, there shall also be specifically exempted from the provisions of sections 144.010 to 144.525,**

**sections 144.600 to 144.748, section 238.235, RSMo, and from the provisions of any local sales tax law, as defined in section 32.085, RSMo, and from the computation of the tax levied, assessed or payable under sections 144.010 to 144.525, sections 144.600 to 144.748, section 238.235, RSMo, and under any local sales tax law, as defined in section 32.085, RSMo, any equipment purchased by a federally licensed commercial or public broadcast station when such equipment purchase is made as a result of federal mandate and the technological change that results. This exemption does not apply to replacement of equipment necessitated by a result of use or equipment replaced due to damage or theft.**

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

**(1) "Broadcast equipment", such equipment as may be necessary for the broadcast station to fulfill those obligations as set forth under federal guidelines;**

**(2) "Federal mandate", any action of the congress of the United States or any federal regulatory agency having jurisdiction with regard to broadcast stations when such action requires broadcasters to alter methods of operation;**

**(3) "Federally licensed broadcast station", any enterprise, either commercial or non-commercial, which operates under a license granted by the Federal Communications Commission for the purpose of the free distribution of audio and/or video services when such distribution occurs by means of transmission over the public airwaves;**

**(4) "Technological change", those changes in the design and methods of operation of broadcast equipment which would, by virtue of these changes, require the implementation and/or installation of replacement equipment and the updating of existing equipment.";** and further amend the title and enacting clause accordingly.

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

Senator Childers offered SA 14:

SENATE AMENDMENT NO. 14

Amend Senate Substitute for Senate Committee Substitute for House Substitute for House Bill No. 516, Page 7, Section 147.010, Line 9, by adding the following:

**"Section 1. A credit shall be allowed against the tax otherwise due by any entity which is at least fifty-one percent owned by a Missouri family or families for equipment, machinery and components thereof used in the harvesting and production of timber and wood products including transportation equipment provided such transportation equipment does not provide in excess of ten percent of the gross revenue of such entity. Such credit shall not exceed fifty percent of the amount paid in sales or use tax to the State of Missouri or five thousand dollars whichever is the lesser amount. The total amount of tax credits available to these entities shall not exceed five hundred thousand dollars in a fiscal year. Should the total tax credits requested exceed five hundred thousand dollars then the percentage allowed shall be pro-rated to reflect such limitations.";** and

Further amend the title and enacting clause accordingly.

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

Senator Graves offered SA 15:

SENATE AMENDMENT NO. 15

Amend Senate Substitute for Senate Committee Substitute for House Substitute for House Bill No. 516, Section A, Line 5, by inserting after said line the following:

"137.100. The following subjects are exempt from taxation for state, county or local purposes:

(1) Lands and other property belonging to this state;

(2) Lands and other property belonging to any city, county or other political subdivision in this state, including market houses, town halls and other public structures, with their furniture and equipments, and on public squares and lots kept

open for health, use or ornament;

(3) Nonprofit cemeteries;

(4) The real estate and tangible personal property which is used exclusively for agricultural or horticultural societies organized in this state, **including not-for profit agribusiness associations;**

(5) All property, real and personal, actually and regularly used exclusively for religious worship, for schools and colleges, or for purposes purely charitable and not held for private or corporate profit, except that the exemption herein granted does not include real property not actually used or occupied for the purpose of the organization but held or used as investment even though the income or rentals received therefrom is used wholly for religious, educational or charitable purposes;

(6) Household goods, furniture, wearing apparel and articles of personal use and adornment, as defined by the state tax commission, owned and used by a person in his home or dwelling place.";

and  
Further amend the title and enacting clause accordingly.

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

Senator Klarich offered SA 16:

SENATE AMENDMENT NO. 16

Amend Senate Substitute for Senate Committee Substitute for House Substitute for House Bill No. 516, Page 1, Section A, Line 5, of said page, by inserting immediately after said line the following:

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

(1) "General reassessment", changes in value, entered in the assessor's books, of a substantial portion of the parcels of real property within a county resulting wholly or partly from reappraisal of value or other actions of the assessor or county equalization body or ordered by the state tax commission or any court;

(2) "Tax rate", "rate", or "rate of levy", singular or plural, includes the tax rate for each purpose of taxation of property a taxing authority is authorized to levy without a vote and any tax rate authorized by election, including bond interest and sinking fund;

(3) "Tax rate ceiling", a tax rate as revised by the taxing authority to comply with the provisions of this section or when a court has determined the tax rate; except that, other provisions of law to the contrary notwithstanding, a school district may levy the operating levy for school purposes required for the current year under subsection 2 of section 163.021, RSMo, less all adjustments required pursuant to article X, section 22 of the Missouri Constitution, if such tax rate does not exceed the highest tax rate in effect subsequent to the 1980 tax year. This is the maximum tax rate that may be levied, unless a higher tax rate ceiling is approved by voters of the political subdivision as provided in this section;

(4) "Tax revenue", when referring to the previous year, means the actual receipts from ad valorem levies on all classes of property, including state-assessed property, in the immediately preceding fiscal year of the political subdivision, plus an allowance for taxes billed but not collected in the fiscal year and plus an additional allowance for the revenue which would have been collected from property which was annexed by such political subdivision but which was not previously used in determining tax revenue under this section. The term "tax revenue" shall not include any receipts from ad valorem levies on any property of a railroad corporation or a public utility, as these terms are defined in section 386.020, RSMo, which were assessed by the assessor of a county or city in the previous year but are assessed by the state tax commission in the current year. All school districts and those counties levying sales taxes under chapter 67, RSMo, shall include in the calculation of tax revenue an amount equivalent to that by which they reduced property tax levies as a result of sales tax under section 67.505, RSMo, and section 164.013, RSMo, in the immediately preceding fiscal year but not including any amount calculated to adjust for prior years. For purposes of

political subdivisions which were authorized to levy a tax in the prior year but which did not levy such tax or levied a reduced rate, the term "tax revenue", as used in relation to the revision of tax levies mandated by law, shall mean the revenues equal to the amount that would have been available if the voluntary rate reduction had not been made.

2. Whenever changes in assessed valuation are entered in the assessor's books, the county clerk in all counties and the assessor of St. Louis City shall notify each political subdivision wholly or partially within the county or St. Louis City of the change in valuation, exclusive of new construction and improvements. All political subdivisions shall immediately revise the rates of levy for each purpose for which taxes are levied to the extent necessary to produce from all taxable property, exclusive of new construction and improvements, substantially the same amount of tax revenue as was produced in the previous year, except that the rate may not exceed the greater of the rate in effect in the 1984 tax year or the most recent voter-approved rate. As provided in section 22 of article X of the constitution, a political subdivision may also revise each levy to allow for inflationary assessment growth occurring within the political subdivision. The inflationary growth factor shall be limited to the actual assessment growth within the political subdivision, exclusive of new construction and improvements, but not to exceed the consumer price index or five percent, whichever is lower.

3. (1) Where the taxing authority is a school district, it shall be required to revise the rates of levy to the extent necessary to produce from all taxable property, including state-assessed railroad and utility property, which shall be separately estimated in addition to other data required in complying with section 164.011, RSMo, substantially the amount of tax revenue permitted in this section. In the year following tax rate reduction, the tax rate ceiling may be adjusted to offset such district's reduction in the apportionment of state school moneys due to its reduced tax rate. However, in the event any school district, in calculating a tax rate ceiling pursuant to this section, requiring the estimating of effects of state-assessed railroad and utility valuation or loss

of state aid, discovers that the estimates used result in receipt of excess revenues, which would have required a lower rate if the actual information had been known, the school district shall reduce the tax rate ceiling in the following year to compensate for the excess receipts, and the recalculated rate shall become the tax rate ceiling for purposes of this section.

(2) For any political subdivision which experiences a reduction in the amount of assessed valuation relating to a prior year, due to decisions of the state tax commission or a court under sections 138.430 to 138.433, RSMo, or due to clerical errors or corrections in the calculation or recordation of any assessed valuation:

(a) Such political subdivision may revise the tax rate ceiling for each purpose it levies taxes to compensate for the reduction in assessed value occurring after the political subdivision calculated the tax rate ceiling in the prior year. Such revision by the political subdivision shall be made at the time of the next calculation of the tax rate after the reduction in assessed valuation has been determined and shall be calculated in a manner that results in the revised tax rate ceiling being the same as it would have been had the corrected or finalized assessment been available at the time of the prior calculation;

(b) In addition, for up to three years following the determination of the reduction in assessed valuation as a result of circumstances defined in this subdivision, such political subdivision may levy a tax rate for each purpose it levies taxes above the revised tax rate ceiling provided in paragraph (a) of this subdivision to recoup any revenues it was entitled to receive for the three-year period preceding such determination.

4. (1) In order to implement the provisions of this section and section 22 of article X of the Constitution of Missouri, the term "improvements" shall apply to both real and personal property. In order to determine the value of new construction and improvements, each county assessor shall maintain a record of real property valuations in such a manner as to identify each year the increase in valuation for each political subdivision in the

county as a result of new construction and improvements. The value of new construction and improvements shall include the additional assessed value of all improvements or additions to real property which were begun after and were not part of the prior year's assessment, except that the additional assessed value of all improvements or additions to real property which had been totally or partially exempt from ad valorem taxes pursuant to sections 99.800 to 99.865, RSMo, sections 135.200 to 135.255, RSMo, and section 353.110, RSMo, shall be included in the value of new construction and improvements when the property becomes totally or partially subject to assessment and payment of all ad valorem taxes. The aggregate increase in valuation of personal property for the current year over that of the previous year is the equivalent of the new construction and improvements factor for personal property. The assessor shall certify the amount of new construction and improvements for each political subdivision to the county clerk in order that political subdivisions shall have this information for the purpose of calculating tax rates under this section and section 22, article X, Constitution of Missouri. In addition, the state tax commission shall certify each year to each county clerk the increase in the general price level as measured by the consumer price index for all urban consumers for the United States, or its successor publications, as defined and officially reported by the United States Department of Labor, or its successor agency. The state tax commission shall certify the increase in such index on the latest twelve-month basis available on June first of each year over the immediately preceding prior twelve-month period in order that political subdivisions shall have this information available in setting their tax rates according to law and section 22 of article X of the Constitution of Missouri. For purposes of implementing the provisions of this section and section 22 of article X of the Missouri Constitution, the term "property" means all taxable property, including state assessed property.

(2) Each political subdivision required to revise rates of levy pursuant to this section or section 22 of article X of the Constitution of Missouri shall calculate each tax rate it is

authorized to levy and, in establishing each tax rate, shall consider each provision for tax rate revision provided in this section and section 22 of article X of the Constitution of Missouri, separately and without regard to annual tax rate reductions provided in section 67.505, RSMo, and section 164.013, RSMo. Each political subdivision shall set each tax rate it is authorized to levy using the calculation that produces the lowest tax rate ceiling. It is further the intent of the general assembly, under the authority of section 10(c) of article X of the Constitution of Missouri, that the provisions of such section be applicable to tax rate revisions mandated under section 22 of article X of the Constitution of Missouri as to reestablishing tax rates as revised in subsequent years, enforcement provisions, and other provisions not in conflict with section 22 of article X of the Constitution of Missouri. Annual tax rate reductions provided in section 67.505, RSMo, and section 164.013, RSMo, shall be applied to the tax rate as established under this section and section 22 of article X of the Constitution of Missouri, unless otherwise provided by law.

5. (1) In all political subdivisions, the tax rate ceiling established pursuant to this section shall not be increased unless approved by a vote of the people. Approval of the higher tax rate shall be by at least a majority of votes cast. When a proposed higher tax rate requires approval by more than a simple majority under any provision of law or the constitution, the tax rate increase must receive approval by at least the majority required.

(2) When voters approve an increase in the tax rate, the amount of the increase shall be added to the tax rate ceiling as calculated under this section to the extent the total rate does not exceed any maximum rate prescribed by law. If a ballot question presents a stated tax rate for approval rather than describing the amount of increase in the question, the stated tax rate approved shall be the current tax rate ceiling. The increased tax rate ceiling as approved may be applied to the total assessed valuation of the political subdivision at the setting of the next tax rate.

(3) The governing body of any political subdivision may levy a tax rate lower than its tax

rate ceiling and may increase that lowered tax rate to a level not exceeding the tax rate ceiling without voter approval.

6. Each taxing authority proposing to levy a tax rate in any year shall notify the clerk of the county commission in the county or counties where the tax rate applies of its tax rate ceiling and its proposed tax rate. Any taxing authority levying a property tax rate shall provide data, in such form as shall be prescribed by the state auditor by rule, substantiating such tax rate complies with Missouri law. In addition, each taxing authority proposing to levy a tax rate for debt service shall provide data, in such form as shall be prescribed by the state auditor by rule, substantiating the tax rate for debt service complies with Missouri law. A tax rate proposed for annual debt service requirements will be prima facie valid if, after making the payment for which the tax was levied, bonds remain outstanding and the debt fund reserves do not exceed the following year's payments. The county clerk shall keep on file and available for public inspection all such information for a period of three years. The clerk shall, within three days of receipt, forward a copy of the notice of a taxing authority's tax rate ceiling and proposed tax rate and any substantiating data to the state auditor. The state auditor shall examine such information and return to the county clerk his findings as to compliance of the tax rate ceiling with this section and as to compliance of any proposed tax rate for debt service with Missouri law. The county clerk shall forward a copy of the auditor's findings to the taxing authority and shall file a copy of the findings with the information received from the taxing authority. The auditor's findings are advisory for the information of the taxing authority and the public.

7. No tax rate shall be extended on the tax rolls by the county clerk unless the political subdivision has complied with the foregoing provisions of this section.

8. Whenever a taxpayer has cause to believe that a taxing authority has not complied with the provisions of this section, the taxpayer may make a formal complaint with the prosecuting attorney of the county. Where the prosecuting attorney fails to bring an action within ten days of the filing of the



complaint, the taxpayer may bring a civil action under this section and institute an action as representative of a class of all taxpayers within a taxing authority if the class is so numerous that joinder of all members is impracticable, if there are questions of law or fact common to the class, if the claims or defenses of the representative parties are typical of the claims or defenses of the class, and if the representative parties will fairly and adequately protect the interests of the class. In any class action maintained under this section, the court may direct to the members of the class a notice to be published at least once each week for four consecutive weeks in a newspaper of general circulation published in the county where the civil action is commenced and in other counties within the jurisdiction of a taxing authority. The notice shall advise each member that the court will exclude him from the class if he so requests by a specified date, that the judgment, whether favorable or not, will include all members who do not request exclusion, and that any member who does not request exclusion may, if he desires, enter an appearance. In any class action brought under this section, the court, in addition to the relief requested, shall assess against the taxing authority found to be in violation of this section the reasonable costs of bringing the action, including reasonable attorney's fees, provided no attorney's fees shall be awarded any attorney or association of attorneys who receive public funds from any source for their services. Any action brought pursuant to this section shall be set for hearing as soon as practicable after the cause is at issue.

9. If in any action, including a class action, the court issues an order requiring a taxing authority to revise the tax rates as provided in this section or enjoins a taxing authority from the collection of a tax because of its failure to revise the rate of levy as provided in this section, any taxpayer paying his taxes when an improper rate is applied has erroneously paid his taxes in part, whether or not the taxes are paid under protest as provided in section 139.031, RSMo. The part of the taxes paid erroneously is the difference in the amount produced by the original levy and the amount produced by the revised levy. The township or county collector of taxes or the collector of taxes in

any city shall refund the amount of the tax erroneously paid. The taxing authority refusing to revise the rate of levy as provided in this section shall make available to the collector all funds necessary to make refunds under this subsection. No taxpayer shall receive any interest on any money erroneously paid by him under this subsection. Effective in the 1994 tax year, nothing in this section shall be construed to require a taxing authority to refund any tax erroneously paid prior to or during the third tax year preceding the current tax year.

**10. A taxing authority, including but not limited to a township, county collector, or collector of taxes, responsible for determining and collecting the amount of residential real property tax levied in its jurisdiction, shall report such amount of tax collected by December thirty-first of each year such property is assessed, to the state auditor. The state auditor shall compile the tax data by county or taxing jurisdiction and submit a report to the general assembly no later than January thirty-first of the following year.";** and

Further amend the title and enacting clause accordingly.

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

Senator Klarich offered **SA 17:**

**SENATE AMENDMENT NO. 17**

Amend Senate Substitute for Senate Committee Substitute for House Substitute for House Bill No. 516, Page 1, Section A, Line 5 of said page, by inserting immediately after said line the following:

"143.021. **1.** Every resident having a taxable income of less than nine thousand dollars shall determine his tax from a tax table prescribed by the director of revenue and based upon the rates provided in section 143.011. The tax table shall be on the basis of one hundred dollar increments of taxable income below nine thousand dollars. The tax provided in the table shall be the amount rounded to the nearest whole dollar by applying the rates in section 143.011 to the taxable income at

the midpoint of each increment, except there shall be no tax on a taxable income of less than one hundred dollars. Every resident having a taxable income of nine thousand dollars or more shall determine his tax from the rate provided in section 143.011.

**2. For every calendar year beginning on or after January 1, 2000, the director of the department of revenue shall adjust the levels of Missouri taxable income as provided in section 143.011 to reflect the change in the consumer price index for all urban consumers of the United States, as reported by the United States Department of Labor, for the immediately preceding calendar year. The adjusted levels of Missouri taxable income shall then be used by the director of the department of revenue to compile the tax table to be used for the taxable year in which the adjustment is made by the director of the department of revenue. The director of the department of revenue may promulgate such rules or regulation as are necessary to implement the provisions of this section. No rule or regulation promulgated pursuant to the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of chapter 536, RSMo.";** and

Further amend the title and enacting clause accordingly.

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

Senator Kenney offered **SA 18**:

**SENATE AMENDMENT NO. 18**

Amend Senate Substitute for Senate Committee Substitute for House Substitute for House Bill 516, Page 4, Section 143.161, Line 5, by inserting after all of said line the following:

"143.171. 1. For all tax years beginning before January 1, 1994, for an individual taxpayer and for all tax years beginning before September 1, 1993, for a corporate taxpayer, the taxpayer shall be allowed a deduction for his federal income tax liability under chapter 1 of the Internal Revenue Code for the same taxable year for which the

Missouri return is being filed after reduction for all credits thereon, except the credit for payments of federal estimated tax, the credit for the overpayment of any federal tax, and the credits allowed by the Internal Revenue Code by section 31 (tax withheld on wages), section 27 (tax of foreign country and United States possessions), and section 34 (tax on certain uses of gasoline, special fuels, and lubricating oils).

2. For all tax years beginning on or after January 1, 1994, an individual taxpayer shall be allowed a deduction for his federal income tax liability under chapter 1 of the Internal Revenue Code for the same taxable year for which the Missouri return is being filed, not to exceed five thousand dollars on a single taxpayer's return or ten thousand dollars on a combined return, after reduction for all credits thereon, except the credit for payments of federal estimated tax, the credit for the overpayment of any federal tax, and the credits allowed by the Internal Revenue Code by section 31 (tax withheld on wages), section 27 (tax of foreign country and United States possessions), and section 34 (tax on certain uses of gasoline, special fuels, and lubricating oils).

3. For all tax years beginning on or after September 1, 1993, **but before December 31, 1998**, a corporate taxpayer shall be allowed a deduction for fifty percent of its federal income tax liability under chapter 1 of the Internal Revenue Code for the same taxable year for which the Missouri return is being filed after reduction for all credits thereon, except the credit for payments of federal estimated tax, the credit for the overpayment of any federal tax, and the credits allowed by the Internal Revenue Code by section 31 (tax withheld on wages), section 27 (tax of foreign country and United States possessions), and section 34 (tax on certain uses of gasoline, special fuels and lubricating oils). **For all tax years beginning on or after January 1, 1999, but before December 31, 1999, a corporate taxpayer shall be allowed a deduction for sixty-seven percent of its federal income tax liability under Chapter 1 of the Internal Revenue Code for the same taxable year for which the Missouri return is being filed after reduction for all credits**

thereon, except as specified in this subsection. For all tax years beginning on or after January 1, 2000, but before December 31, 2000, a corporate taxpayer shall be allowed a deduction of eighty-three percent of its federal income tax liability under Chapter 1 of the Internal Revenue Code for the same taxable year for which the Missouri return is being filed after reduction for all credits thereon, except as specified in this subsection. For all tax years beginning on or after January 1, 2001, a corporate taxpayer shall be allowed a full deduction for its federal income tax liability under Chapter 1 of the Internal Revenue Code for the same taxable year for which the Missouri return is being filed after reduction for all credits thereon, except as specified in this subsection.

4. If a federal income tax liability for a tax year prior to the applicability of sections 143.011 to 143.996 for which he was not previously entitled to a Missouri deduction is later paid or accrued, he may deduct the federal tax in the later year to the extent it would have been deductible if paid or accrued in the prior year."; and

Further amend the title and enacting clause accordingly.

Senator Kenney moved that the above amendment be adopted, which motion failed.

Senator Kenney offered SA 19:

SENATE AMENDMENT NO. 19

Amend Senate Substitute for Senate Committee Substitute for House Substitute for House Bill No. 516, Page 4, Section 143.171, Line 5, by inserting at the end of said line the following: "**3. For all tax years beginning on or after January 1, 1999, but before December 31, 1999, an individual taxpayer shall be allowed a deduction for his or her federal income tax liability under chapter 1 of the Internal Revenue Code for the same taxable year for which the Missouri return is being filed, not to exceed ten thousand dollars on a single taxpayer's return or twenty thousand dollars on a combined return, after reduction for all credits thereon, except as specified in this subsection. For all tax years**

**beginning on or after January 1, 2000, but before December 31, 2000, an individual taxpayer shall be allowed a deduction for his or her federal income tax liability under chapter 1 of the Internal Revenue Code for the same taxable year for which the Missouri return is being filed, not to exceed fifteen thousand dollars on a single taxpayer's return or thirty thousand dollars on a combined return, after reduction for all credits thereon, except as specified in this subsection. For all tax years beginning on or after January 1, 2001, but before December 31, 2001, an individual taxpayer shall be allowed a deduction for his or her federal income tax liability under chapter 1 of the Internal Revenue Code for the same taxable year for which the Missouri return is being filed, not to exceed twenty thousand dollars on a single taxpayer's return or forty thousand dollars on a combined return, after reduction for all credits thereon, except as specified in this subsection. For all tax years beginning on or after January 1, 2002, an individual taxpayer shall be allowed a full deduction for his or her federal income tax liability under chapter 1 of the Internal Revenue Code for the same taxable year for which the Missouri return is being filed, after reduction for all credits thereon, except as specified in this subsection. Nothing in this subsection shall be construed to reduce the amount of funds transferred by the state treasurer to the outstanding schools trust fund pursuant to subsection 3 of section 160.500, RSMo."**

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

Senator Flotron offered SA 20:

SENATE AMENDMENT NO. 20

Amend Senate Substitute for Senate Committee Substitute for House Substitute for House Bill 516, Page 1, Section A, Line 5, by inserting after all of said line the following:

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

(1) "Contribution", a donation of cash, stock, bonds or other marketable securities, or

real property;

(2) "Director", the director of the department of social services;

(3) "State tax liability", in the case of a business taxpayer, any liability incurred by such taxpayer pursuant to the provisions of chapters 143, 147, 148 and 153, RSMo, exclusive of the provisions relating to the withholding of tax as provided for in sections 143.191 to 143.265, RSMo, and related provisions, and in the case of an individual taxpayer, any liability incurred by such taxpayer pursuant to the provisions of chapter 143, RSMo;

(4) "Taxpayer", a person, firm, a partner in a firm, corporation or a shareholder in an S corporation doing business in the state of Missouri and subject to the state income tax imposed by the provisions of chapter 143, RSMo, or a corporation subject to the annual corporation franchise tax imposed by the provisions of chapter 147, RSMo, or an insurance company paying an annual tax on its gross premium receipts in this state, or other financial institution paying taxes to the state of Missouri or any political subdivision of this state pursuant to the provisions of chapter 148, RSMo, or an express company which pays an annual tax on its gross receipts in this state pursuant to chapter 153, RSMo, or an individual subject to the state income tax imposed by the provisions of chapter 143, RSMo;

(5) "Unplanned pregnancy resource center", a nonresidential facility:

(a) Located in this state and established for the purpose of providing assistance to women with crisis pregnancies or unplanned pregnancies by offering pregnancy testing, counseling, emotional and material support, and other similar services to encourage and assist such women in carrying their pregnancies to term; and

(b) Where childbirths are not performed and little or no birth control services are provided; and

(c) Which does not perform or refer for abortions and which does not hold itself out as performing or referring for abortions; and

(d) Which provides direct client services at the facility, as opposed to merely providing counseling or referral services by telephone; and

(e) Which provides most of its services at no cost; and

(f) Which is exempt from income taxation pursuant to the United States Internal Revenue Code.

In cases where two or more unplanned pregnancy resource centers are controlled by the same corporate entity and more than one-half of the annual income of each such center is derived from common fund-raising efforts which benefit all such centers controlled by the same corporate entity, the director shall make one equal apportionment to the corporate entity and not separate equal apportionments to each facility classified as an unplanned pregnancy resource center and controlled by the same corporate entity. However, for purposes of informing taxpayers of which facilities have been classified as unplanned pregnancy resource centers pursuant to subsection 6 of this section, the director may list separately each unplanned pregnancy resource center controlled by the same corporate entity.

2. A taxpayer shall be allowed to claim a tax credit against the taxpayer's state tax liability, in an amount equal to fifty percent of the amount such taxpayer contributed to an unplanned pregnancy resource center.

3. The amount of the tax credit claimed shall not exceed the amount of the taxpayer's state tax liability for the taxable year that the credit is claimed, and such taxpayer shall not be allowed to claim a tax credit in excess of fifty thousand dollars per taxable year. However, any tax credit that cannot be claimed in the taxable year the contribution was made may be carried over to the next four succeeding taxable years until the full credit has been claimed.

4. Except for any excess credit which is

carried over pursuant to subsection 3 of this section, a taxpayer shall not be allowed to claim a tax credit unless the total amount of such taxpayer's contribution or contributions to an unplanned pregnancy resource center or centers in such taxpayer's taxable year has a value of at least one hundred dollars.

5. The director shall determine, at least annually, which facilities in this state may be classified as unplanned pregnancy resource centers. The director may require of a facility seeking to be classified as an unplanned pregnancy resource center whatever information which is reasonably necessary to make such a determination. The director shall classify a facility as an unplanned pregnancy resource center if such facility meets the definition set forth in subsection 1 of this section.

6. The director shall establish a procedure by which a taxpayer can determine if a facility has been classified as an unplanned pregnancy resource center. Unplanned pregnancy resource centers shall be permitted to decline a contribution from a taxpayer. The cumulative amount of tax credits which may be claimed by all the taxpayers contributing to unplanned pregnancy resource centers in any one fiscal year shall not exceed two million dollars.

7. The director shall establish a procedure by which, from the beginning of the fiscal year until some point in time later in the fiscal year to be determined by the director, the cumulative amount of tax credits are equally apportioned among all facilities classified as unplanned pregnancy resource centers. If an unplanned pregnancy resource center fails to use all, or some percentage to be determined by the director, of its apportioned tax credits during this predetermined period of time, the director may reapportion these unused tax credits to those unplanned pregnancy resource centers that have used all, or some percentage to be determined by the director, of their apportioned tax credits during this predetermined period of time. The director may establish more than one period of time and reapportion more than once

during each fiscal year. To the maximum extent possible, the director shall establish the procedure described in this subsection in such a manner as to ensure that taxpayers can claim all the tax credits possible up to the cumulative amount of tax credits available for the fiscal year.

8. Each unplanned pregnancy resource center shall provide information to the director concerning the identity of each taxpayer making a contribution to the unplanned pregnancy resource center and the amount of the contribution. The director shall provide the information to the director of the department of revenue.

9. This section shall become effective January 1, 2000, and shall apply to all tax years after December 31, 1999."

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

Senator Flotron offered SA 21:

SENATE AMENDMENT NO. 21

Amend Senate Substitute for Senate Committee Substitute for House Substitute for House Bill No. 516, Page 7, Section 147.010, Line 9, by inserting after all of said line the following:

"351.025. 1. Any existing corporation heretofore organized for profit under any special law of this state may accept the provisions of this chapter and be entitled to all of the rights, privileges and benefits provided by this chapter, as well as accepting the obligations and duties imposed by this chapter, by filing with the secretary of state a certificate of acceptance of this chapter, signed by its president and secretary, duly authorized by its board of directors, and approved by the affirmative vote of a majority of its outstanding shares.

2. Any health services corporation organized as a not for profit corporation pursuant to chapter 354, RSMo, that has complied with the provisions of section 354.065, RSMo, may accept the provisions of this chapter and be entitled to all of the rights, privileges and benefits provided by this chapter, as well as accepting the obligations and

duties imposed by this chapter, by filing with the secretary of state a certificate of acceptance of this chapter, signed by its president and secretary, duly authorized by its board of directors, and approved by the affirmative vote of a majority of its outstanding shares, if any.

3. The provisions of subsection 2 of this section shall expire and have no force and effect on and after August 31, [1999] **2000**.

354.065. 1. A corporation may amend its articles of incorporation from time to time in the manner provided in chapter 355, RSMo, and shall file a duly certified copy of its certificate of amendment with the director of insurance within twenty days after the issuance of the certificate of amendment by the secretary of state. Upon the issuance of the certificate of amendment by the secretary of state, the amendment shall become effective and the articles of incorporation shall be deemed to be amended accordingly.

2. A health services corporation organized as a not for profit corporation under this chapter may amend its articles in the manner provided in chapter 355, RSMo, to change its status to that of a for profit business corporation and accept the provisions of chapter 351, RSMo, by:

(1) Adopting a resolution amending its articles of incorporation or articles of agreement so as:

(a) To eliminate any purpose, power or other provision thereof not authorized to be set forth in the articles of incorporation of corporations organized pursuant to chapter 351, RSMo;

(b) To set forth any provision authorized pursuant to chapter 351, RSMo, to be inserted in the articles of incorporation of corporations organized pursuant to chapter 351, RSMo, which the corporation chooses to insert therein and the material and information required to be set forth pursuant to chapter 351, RSMo, in the original articles of incorporation of corporations organized pursuant to chapter 351, RSMo;

(2) Adopting a resolution accepting all of the provisions of chapter 351, RSMo, and providing that such corporation shall for all purposes be thenceforth deemed to be a corporation organized

pursuant to chapter 351, RSMo;

(3) By filing with the secretary of state a certificate of acceptance of chapter 351, RSMo;

(4) By complying with the provisions of sections 355.616 and 355.621, RSMo, to the extent those sections would apply if such health services corporation were merging with a domestic business corporation with the proposed amended articles of incorporation serving as the proposed plan of merger.

3. The provisions of subsection 2 of this section shall expire and have no force and effect on and after August 31, [1999] **2000**."; and

Further amend the title and enacting clause accordingly.

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

Senator Stoll offered SA 22:

#### SENATE AMENDMENT NO. 22

Amend Senate Substitute for Senate Committee Substitute for House Substitute for House Bill No. 516, Page 4, Section 143.161, Line 5, by inserting immediately after said line the following:

**"144.518. In addition to the exemptions granted pursuant to section 144.030, there is hereby specifically exempted from the provisions of sections 66.600 to 66.635, RSMo, sections 67.391 to 67.395, RSMo, sections 67.500 to 67.545, RSMo, section 67.547, RSMo, sections 67.550 to 67.594, RSMo, sections 67.665 to 67.667, RSMo, sections 67.671 to 67.685, RSMo, sections 67.700 to 67.727, RSMo, section 67.729, RSMo, sections 67.730 to 67.739, RSMo, sections 67.1000 to 67.1012, RSMo, sections 92.325 to 92.340, RSMo, sections 92.400 to 92.421, RSMo, sections 94.500 to 94.570, RSMo, section 94.577, RSMo, sections 94.600 to 94.655, RSMo, section 94.660, RSMo, sections 94.700 to 94.755, RSMo, sections 94.800 to 94.825, RSMo, section 94.830, RSMo, sections 94.850 to 94.857, RSMo, sections 94.870 to 94.881, RSMo, section 94.890, RSMo, sections 144.010 to 144.525, and sections 144.600 to 144.761, sections 190.335 to 190.337, RSMo,**

section 238.235 and 238.410, RSMo, section 321.242, RSMo, section 573.505, RSMo, and section 644.032, RSMo, and from the computation of the tax levied, assessed or payable pursuant to sections 66.600 to 66.635, RSMo, sections 67.391 to 67.395, RSMo, sections 67.500 to 67.545, RSMo, section 67.547, RSMo, sections 67.550 to 67.594, RSMo, sections 67.665 to 67.667, RSMo, sections 67.671 to 67.685, RSMo, sections 67.700 to 67.727, RSMo, section 67.729, RSMo, sections 67.730 to 67.739, RSMo, sections 67.1000 to 67.1012, RSMo, sections 92.325 to 92.340, RSMo, sections 92.400 to 92.421, RSMo, sections 94.500 to 94.570, RSMo, section 94.577, RSMo, sections 94.600 to 94.655, RSMo, section 94.660, RSMo, sections 94.700 to 94.755, RSMo, sections 94.800 to 94.825, RSMo, section 94.830, RSMo, sections 94.850 to 94.857, RSMo, sections 94.870 to 94.881, RSMo, section 94.890, RSMo, sections 144.010 to 144.525, sections 144.600 to 144.761, sections 190.335 to 190.337, RSMo, sections 238.235 and 238.410, RSMo, section 321.242, RSMo, section 573.505, RSMo, and section 644.032, RSMo, machines or parts for machines used in a commercial, coin-operated amusement and vending business where sales tax is paid on the gross receipts derived from the use of commercial, coin-operated amusement and vending machines."; and

Further amend the title and enacting clause accordingly.

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

Senator Goode offered SA 23:

#### SENATE AMENDMENT NO. 23

Amend Senate Substitute for Senate Committee Substitute for House Substitute for House Bill No. 516, Page 4, Section 143.161, Line 5, by inserting immediately after said line the following:

"144.025. 1. Notwithstanding any other provisions of law to the contrary, in any retail sale other than retail sales governed by subsection [3] 4 of this section, where any article **on which sales or use tax has been paid, credited or otherwise satisfied or which was exempted or excluded**

**from sales or use tax** is taken in trade as a credit or part payment on the purchase price of the article being sold, the tax imposed by sections 144.020 and 144.440 shall be computed only on that portion of the purchase price which exceeds the actual allowance made for the article traded in or exchanged, if there is a bill of sale or other record showing the actual allowance made for the article traded in or exchanged. **For the purpose of determining sales or use tax liability, a purchaser of a motor vehicle, trailer, boat or outboard motor shall not be allowed to deduct from the purchase price of the motor vehicle, trailer, boat or outboard motor the actual allowance of any article other than a motor vehicle, trailer, boat or outboard motor traded or exchanged as a credit or partial payment for such item.** Where the purchaser of a motor vehicle, trailer, boat or outboard motor receives a rebate from the seller or manufacturer, the tax imposed by sections 144.020 and 144.440 shall be computed only on that portion of the purchase price which exceeds the amount of the rebate, if there is a bill of sale or other record showing the actual rebate given by the seller or manufacturer. Where the trade-in or exchange allowance plus any applicable rebate exceeds the purchase price of the purchased article there shall be no sales or use tax owed. This section shall also apply to motor vehicles, trailers, boats, and outboard motors sold by the owner or holder of a properly assigned certificate of ownership if the seller purchases or contracts to purchase a subsequent motor vehicle, trailer, boat, or outboard motor within one hundred eighty days before or after the date of the sale of the original article and a notarized bill of sale showing the paid sale price is presented to the department of revenue at the time of licensing. A copy of the bill of sale shall be left with the licensing office. Where the subsequent motor vehicle, trailer, boat, or outboard motor is titled more than one hundred eighty days after the sale of the original motor vehicle, trailer, boat, or outboard motor, the allowance pursuant to this section shall be made if the person titling such article establishes that the purchase or contract to purchase was finalized prior to the expiration of the one hundred eighty-day period.

2. As used in this section, the term "boat"

includes all motorboats and vessels, as the terms "motorboat" and "vessel" are defined in section 306.010, RSMo.

3. As used in this section, the term "motor vehicle" includes motor vehicles as defined in section 301.010, RSMo, recreational vehicles as defined in section 700.010, RSMo, or a combination of a truck as defined in section 301.010, RSMo, and a trailer as defined in section 301.010, RSMo.

4. The provisions of subsection 1 of this section shall not apply to retail sales of manufactured homes in which the purchaser receives a document known as the "Manufacturer's Statement of Origin" for purposes of obtaining a title to the manufactured home from the department of revenue of this state or from the appropriate agency or officer of any other state."; and

Further amend the title and enacting clause accordingly.

Senator Goode moved that the above amendment be adopted, which motion failed.

Senator Goode offered **SA 24**, which was read:

**SENATE AMENDMENT NO. 24**

Amend Senate Substitute for Senate Committee Substitute for House Substitute for House Bill No. 516, Last Page, Section 1, by adding at the end of the bill the following:

**"Section 1. Each taxpayer shall receive a tax credit of \$2.00 for each \$1.00 paid in taxes to the state of Missouri."**

Senator Goode moved that the above amendment be adopted, which motion failed.

Senator Klarich offered **SA 25**:

**SENATE AMENDMENT NO. 25**

Amend Senate Substitute for Senate Committee Substitute for House Substitute for House Bill No. 516, Page 2, Section 143.113, Line 26, by inserting immediately after said line the following:

"143.141. If federal taxable income of a resident individual is determined by itemizing deductions from his federal adjusted gross income, he may elect to deduct his Missouri itemized

deduction in lieu of his Missouri standard deduction. The Missouri itemized deduction of a resident individual means the allowable federal itemized deductions which consist of allowable federal deductions other than those allowable in arriving at federal adjusted gross income and other than the federal deductions for personal and dependency exemptions, with the following modifications:

(1) Reduced by the proportional amount thereof representing the tax imposed by sections 143.011 to 143.998, **except for any amount attributable to the taxation of refunds received pursuant to article X, Section 18 of the Missouri Constitution**;

(2) Reduced by the proportional amount thereof representing any income taxes imposed by another state of the United States or a political subdivision thereof or the District of Columbia;

(3) Increased by the fair market value of a literary, musical, scholarly, or artistic composition contributed to any tax exempt agency or institution which is operated on a not for profit basis by any taxpayer whose personal efforts created such composition less the amount deducted from federal adjusted gross income attributable to such contribution. The fair market value of such literary, musical, scholarly or artistic composition shall be determined by written appraisal of the property by a person qualified to make such an appraisal other than the taxpayer, the donee, or any "related taxpayer" within the meaning of such term as defined by sections 267(b) and 1313(c) of the Internal Revenue Code, as amended. The appraisal shall be made within one year of the date of the donation and attached to the taxpayer's income tax return;

(4) Increased to the extent not otherwise deductible, by the taxes for the same taxable year for which the return is being filed that are imposed by the following provisions of the Internal Revenue Code:

(a) Section 3101, relating to the tax on employees under the Federal Insurance Contributions Act;

(b) Sections 3201 and 3211, relating to the



taxes on railroad employees and railroad employee representatives under the Railroad Retirement Tax Act;

(c) Section 1401, relating to tax on self-employment income, to the extent that such taxes were not deducted in the computation of the taxpayer's federal adjusted gross income under the Internal Revenue Code of 1986, as amended."; and

Further amend the title and enacting clause accordingly.

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

Senator Klarich offered **SA 26**:

**SENATE AMENDMENT NO. 26**

Amend Senate Substitute for Senate Committee Substitute for House Substitute for House Bill No. 516, Page 4, Section 143.161, Line 5, by inserting immediately after said line the following:

"143.171. 1. For all tax years beginning before January 1, 1994, for an individual taxpayer and for all tax years beginning before September 1, 1993, for a corporate taxpayer, the taxpayer shall be allowed a deduction for his federal income tax liability under chapter 1 of the Internal Revenue Code for the same taxable year for which the Missouri return is being filed after reduction for all credits thereon, except the credit for payments of federal estimated tax, the credit for the overpayment of any federal tax, and the credits allowed by the Internal Revenue Code by section 31 (tax withheld on wages), section 27 (tax of foreign country and United States possessions), and section 34 (tax on certain uses of gasoline, special fuels, and lubricating oils).

2. For all tax years beginning on or after January 1, 1994, an individual taxpayer shall be allowed a deduction for his federal income tax liability under chapter 1 of the Internal Revenue Code for the same taxable year for which the Missouri return is being filed, not to exceed five thousand dollars on a single taxpayer's return or ten thousand dollars on a combined return, after reduction for all credits thereon, except the credit for payments of federal estimated tax, the credit for the overpayment of any federal tax, and the credits

allowed by the Internal Revenue Code by section 31 (tax withheld on wages), section 27 (tax of foreign country and United States possessions), and section 34 (tax on certain uses of gasoline, special fuels, and lubricating oils).

3. For all tax years beginning on or after September 1, 1993, a corporate taxpayer shall be allowed a deduction for fifty percent of its federal income tax liability under chapter 1 of the Internal Revenue Code for the same taxable year for which the Missouri return is being filed after reduction for all credits thereon, except the credit for payments of federal estimated tax, the credit for the overpayment of any federal tax, and the credits allowed by the Internal Revenue Code by section 31 (tax withheld on wages), section 27 (tax of foreign country and United States possessions), and section 34 (tax on certain uses of gasoline, special fuels and lubricating oils).

4. If a federal income tax liability for a tax year prior to the applicability of sections 143.011 to 143.996 for which he was not previously entitled to a Missouri deduction is later paid or accrued, he may deduct the federal tax in the later year to the extent it would have been deductible if paid or accrued in the prior year.

**5. For every calendar year beginning on or after January 1, 2000, the director of the department of revenue shall adjust the dollars amounts allowed pursuant to subsection 2 of this section to reflect the change in the consumer price index for all urban consumers of the United States, as reported by the United States Department of Labor, for the immediately preceding calendar year. The adjusted dollar amounts shall be allowed as a maximum deduction by an individual for his federal income tax liability for the taxable year in which the adjustment is made by the director of the department of revenue. The director of the department of revenue may promulgate such rules or regulation as are necessary to implement the provisions of this section. No rule or regulation promulgated pursuant to the authority of this section shall become effective unless it has been promulgated pursuant to the provisions of chapter 536, RSMo."; and**

Further amend the title and enacting clause accordingly.

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

Senator Flotron offered **SA 27**:

SENATE AMENDMENT NO. 27

Amend Senate Substitute for Senate Committee Substitute for House Substitute for House Bill No. 516, Page 7, Section 147.010, Line 9 of said page, by inserting immediately after said line the following:

**"Section 1. 1. Notwithstanding any other provision of law to the contrary, any person not required to file a federal income tax return pursuant to section 6012 of the Internal Revenue Code, as amended, shall not be required to file a Missouri income tax return pursuant to chapter 143, RSMo, and no tax shall be imposed pursuant to chapter 143, RSMo, on the Missouri taxable income of such person.**

**2. Nothing in this section shall be construed to prevent a person who wishes to file a Missouri income tax return pursuant to chapter 143, RSMo, from filing such return.**

**3. This section shall apply to a taxable years beginning after December 31, 1999.";** and

Further amend the title and enacting clause accordingly.

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

Senator Howard offered **SA 28**:

SENATE AMENDMENT NO. 28

Amend Senate Substitute for Senate Committee Substitute for House Substitute for House Bill No. 516, Page 2, Line 4, by inserting after all of said line the following:

"143.124. 1. Other provisions of law to the contrary notwithstanding, the total amount of all annuities, pensions, or retirement allowances above the amount of six thousand dollars annually provided by any law of this state, the United States, or any other state to any person except as provided

in subsection 4 of this section, shall be subject to tax pursuant to the provisions of this chapter, in the same manner, to the same extent and under the same conditions as any other taxable income received by the person receiving it. For purposes of this section, annuity, pension, or retirement allowance shall be defined as an annuity, pension or retirement allowance provided by the United States, this state, any other state or any political subdivision or agency or institution of this or any other state. For all tax years beginning on or after January 1, 1998, for purposes of this section, annuity, pension or retirement allowance shall be defined to include self-employed retirement plans, also known as Keogh plans, annuities from a defined pension plan and individual retirement arrangements, also known as IRAs, as described in the Internal Revenue Code, as well as an annuity, pension or retirement allowance provided by the United States, this state, any other state or any political subdivision or agency or institution of this or any other state.

2. For the period beginning July 1, 1989, and ending December 31, 1989, there shall be subtracted from Missouri adjusted gross income for that period, determined pursuant to section 143.121, the first three thousand dollars of retirement benefits received by each taxpayer:

(1) If the taxpayer's filing status is single, head of household or qualifying widow(er) and the taxpayer's Missouri adjusted gross income is less than twelve thousand five hundred dollars; or

(2) If the taxpayer's filing status is married filing combined and their combined Missouri adjusted gross income is less than sixteen thousand dollars; or

(3) If the taxpayer's filing status is married filing separately and the taxpayer's Missouri adjusted gross income is less than eight thousand dollars.

3. For the tax years beginning on or after January 1, 1990, there shall be subtracted from Missouri adjusted gross income, determined pursuant to section 143.121, **a maximum of** the first six thousand dollars of retirement benefits received by each taxpayer from sources other than

privately funded sources, and for tax years beginning on or after January 1, 1998, there shall be subtracted from Missouri adjusted gross income, determined pursuant to section 143.121, a **maximum of** the first one thousand dollars of any retirement allowance received from any privately funded source for tax years beginning on or after January 1, 1998, but before January 1, 1999, and a **maximum of** the first three thousand dollars of any retirement allowance received from any privately funded source for tax years beginning on or after January 1, 1999, but before January 1, 2000, and a **maximum of** the first four thousand dollars of any retirement allowance received from any privately funded source for tax years beginning on or after January 1, 2000, but before January 1, 2001, and a **maximum of** the first five thousand dollars of any retirement allowance received from any privately funded source for tax years beginning on or after January 1, 2001, but before January 1, 2002, and a **maximum of** the first six thousand dollars of any retirement allowance received from any privately funded sources for tax years beginning on or after January 1, 2002. **A taxpayer shall be entitled to the maximum exemption provided by this subsection:**

(1) If the taxpayer's filing status is single, head of household or qualifying widow(er) and the taxpayer's Missouri adjusted gross income is less than twenty-five thousand dollars; or

(2) If the taxpayer's filing status is married filing combined and their combined Missouri adjusted gross income is less than thirty-two thousand dollars; or

(3) If the taxpayer's filing status is married filing separately and the taxpayer's Missouri adjusted gross income is less than sixteen thousand dollars.

4. [To determine the maximum Missouri adjusted gross income limits referenced in] **If a taxpayer's adjusted gross income exceeds the adjusted gross income ceiling for such taxpayer's filing status, as provided in subdivisions (1), (2) and (3) of subsection 3 of this section, such taxpayer shall be entitled to an exemption equal to the greater of zero or the**

**maximum exemption provided in subsection 3 of this section reduced by one dollar for every dollar such taxpayer's income exceeds the ceiling for his or her filing status.**

**5. For purposes of this section,** any Social Security benefits **otherwise** included in Missouri adjusted gross income shall be subtracted[.]; but Social Security benefits shall not be subtracted for purposes of other computations pursuant to this chapter, and are not to be considered as retirement benefits for purposes of this section.

[5.] **6.** The provisions of subdivisions (1) and (2) of subsection 3 of this section shall apply during all tax years in which the federal Internal Revenue Code provides exemption levels for calculation of the taxability of Social Security benefits that are the same as the levels in subdivisions (1) and (2) of subsection 3 of this section. If the exemption levels for the calculation of the taxability of Social Security benefits are adjusted by applicable federal law or regulation, the exemption levels in subdivisions (1) and (2) of subsection 3 of this section shall be accordingly adjusted to the same exemption levels.

[6.] **7.** The portion of a taxpayer's lump sum distribution from an annuity or other retirement plan not otherwise included in Missouri adjusted gross income as calculated pursuant to this chapter, but subject to taxation under Internal Revenue Code section 402 shall be taxed in an amount equal to ten percent of the taxpayer's federal liability on such distribution for the same tax year.

[7.] **8.** The exemptions provided for in this section shall not affect the calculation of the income to be used to determine the property tax credit provided in sections 135.010 to 135.035, RSMo.".; and

Further amend the title and enacting clause accordingly.

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

Senator Schneider offered SA 29:

SENATE AMENDMENT NO. 29

Amend Senate Substitute for Senate Committee Substitute for House Substitute for House Bill No. 516, Page 3, Section 143.151, Lines 4-9, by striking all of said lines and inserting in lieu thereof the following:

"exemptions for federal income tax purposes. **For all taxable years beginning on or after January 1, 1999, but before January 1, 2000, a resident shall be allowed a deduction of one thousand eight hundred dollars for himself and one thousand eight hundred dollars for his spouse if he is entitled to a deduction for such personal exemptions for federal income tax purposes. For all taxable years beginning on or after January 1, 2000, but before January 1, 2001, a resident shall be allowed a deduction of one thousand nine hundred dollars for himself and one thousand nine hundred dollars for his spouse if he is entitled to a deduction for such personal exemptions for federal income tax purposes. For all taxable years beginning on or after January 1, 2001, a resident shall be allowed a deduction of two thousand dollars for himself and two thousand dollars for his spouse if he is entitled to a deduction for such personal exemptions for federal income tax purposes.**"

Senator Schneider moved that the above amendment be adopted and requested a roll call vote be taken. He was joined in his request by Senators Klarich, Maxwell, Rohrbach and Singleton.

**SA 29** failed of adoption by the following vote:

YEAS—Senators

Banks	Childers	Clay	DePasco
Flotron	Kinder	Klarich	Maxwell
Schneider	Scott	Staples	Yeckel—12

NAYS—Senators

Bentley	Bland	Caskey	Ehlmann
Goode	Graves	House	Howard
Jacob	Johnson	Kenney	Mathewson
Mueller	Quick	Rohrbach	Russell
Sims	Singleton	Steelman	Stoll
Westfall	Wiggins—22		

Absent—Senators—None

Absent with leave—Senators—None

Senator Maxwell offered **SA 30**:

SENATE AMENDMENT NO. 30

Amend Senate Substitute for Senate Committee Substitute for House Substitute for House Bill No. 516, Page 1, Section 143.111, Line 6, by inserting immediately before said line the following:

**"135.760. 1. For all taxable years beginning on or after January 1, 1999, a resident taxpayer shall be allowed a tax credit against the tax otherwise due under chapter 143, RSMo, in an amount equal to ten percent of the amount which the taxpayer has claimed as an earned income credit pursuant to section 32 of the Internal Revenue Code for that taxable year. Any amount of the credit taken which exceeds the tax due shall be refunded to the taxpayer.**

**2. Notwithstanding the provision of subsection 4 of section 32.057, RSMo, 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 subsection 1 of this section may qualify for the credit, and shall notify any qualified claimant of his or her potential eligibility, where the department determines such potential eligibility exists."**; and

Further amend the title and enacting clause accordingly.

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

Senator Maxwell offered **SA 31**:

SENATE AMENDMENT NO. 31

Amend Senate Substitute for Senate Committee Substitute for House Substitute for House Bill No. 516, Page 7, Section 147.010, Line 9, by inserting after said line the following:

**"Section 1. In addition to any deduction already authorized by law, for all taxable years**

**beginning after December 31, 1999, an individual or corporate taxpayer may deduct from such taxpayer's Missouri taxable income an amount equal to one hundred percent of all admission fees charged for hunting or taking of domestically raised pheasant, partridge, quail and ungulates on licensed shooting areas permitted by the Missouri department of conservation, and all feed and equipment used in the domestic production of pheasant, partridge, quail and ungulates by holders of a class I wildlife breeders permit issued by the Missouri department of conservation."**; and

Further amend the title and enacting clause accordingly.

Senator Maxwell moved that the above amendment be adopted, which motion failed.

Senator Johnson assumed the Chair.

At the request of Senator Jacob, **HS** for **HB 516**, with **SCS** and **SS** for **SCS**, as amended (pending), was placed on the Informal Calendar.

**HB 541**, introduced by Representative Kreider, et al, entitled:

An Act to amend chapter 262, RSMo, relating to promotion of agriculture and horticulture by adding thereto four new sections relating to the southern dairy compact, with penalty provisions.

Was called from the Informal Calendar and taken up by Senator Mathewson.

On motion of Senator Mathewson, **HB 541** was read the 3rd time and passed by the following vote:

YEAS—Senators

Banks	Bentley	Bland	Caskey
Childers	Clay	DePasco	Ehlmann
Goode	Graves	House	Howard
Jacob	Johnson	Kenney	Kinder
Klarich	Mathewson	Maxwell	Mueller
Quick	Russell	Schneider	Scott
Sims	Singleton	Staples	Steelman
Stoll	Westfall	Wiggins	Yeckel—32

NAYS—Senators

Flotron            Rohrbach—2

Absent—Senators—None

Absent with leave—Senators—None

The President declared the bill passed.

On motion of Senator Mathewson, title to the bill was agreed to.

Senator Mathewson moved that the vote by which the bill passed be reconsidered.

Senator DePasco moved that motion lay on the table, which motion prevailed.

**PRIVILEGED MOTIONS**

Senator Russell moved that the Senate refuse to recede from its position on **SCS** for **HCS** for **HB 139**, as amended, and grant the House a conference thereon and further that the conferees be allowed to exceed the differences on **SA 6** and in the definition of population as it appears in the **HCS**, which motion prevailed.

**CONFERENCE COMMITTEE APPOINTMENTS**

President Pro Tem Quick appointed the following conference committee to act with a like committee from the House on **SCS** for **HCS** for **HB 139**, as amended: Senators Johnson, Wiggins, Stoll, Russell and Westfall.

**PRIVILEGED MOTIONS**

Senator Banks, on behalf of the conference committee appointed to act with a like committee from the House on **SB 76**, as amended, submitted the following conference committee report:

**CONFERENCE COMMITTEE REPORT ON SENATE BILL NO. 76**

Mr. President: Your Conference Committee, appointed to confer with a like committee of the House, on Senate Bill No. 76, with House Amendments Nos. 1, 2, 3 and 4; begs leave to report that we, after free and fair discussion of the differences between the House and Senate, have agreed to recommend and do recommend to the respective bodies as follows:

1. That the House recede from its position on Senate Bill No. 76, with House Amendments Nos. 1, 2, 3 and 4; and

2. That Senate Bill No. 76 be truly agreed to and finally passed.

FOR THE SENATE:	FOR THE HOUSE:
/s/ J. B. Banks	/s/ O. L. Shelton
/s/ William Clay	/s/ Derio L. Gambaro
/s/ Joe Maxwell	/s/ Paula J. Carter
/s/ Sam Graves	/s/ Chuck Gross
/s/ Roseann Bentley	/s/ Jon Bennett

Senator Banks moved that the above conference committee report be adopted, which motion prevailed by the following vote:

YEAS—Senators

Banks	Bentley	Bland	Caskey
Childers	Clay	DePasco	Ehlmann
Flotron	Goode	Graves	House
Howard	Jacob	Johnson	Kenney
Kinder	Klarich	Mathewson	Maxwell
Mueller	Quick	Rohrbach	Russell
Scott	Sims	Singleton	Steelman
Stoll	Westfall	Wiggins	Yeckel—32

NAYS—Senators—None

Absent—Senators

Schneider      Staples—2

Absent with leave—Senators—None

On motion of Senator Banks, **SB 76** was read the 3rd time and passed by the following vote:

YEAS—Senators

Banks	Bentley	Bland	Caskey
Childers	Clay	DePasco	Flotron
Goode	Graves	House	Howard
Jacob	Johnson	Kenney	Kinder
Klarich	Maxwell	Mueller	Rohrbach
Russell	Scott	Singleton	Steelman
Stoll	Westfall	Wiggins	Yeckel—28

NAYS—Senators—None

Absent—Senators

Ehlmann      Mathewson      Quick      Schneider  
Sims      Staples—6

Absent with leave—Senators—None

The President declared the bill passed.

On motion of Senator Banks, title to the bill was agreed to.

Senator Banks moved that the vote by which the bill passed be reconsidered.

Senator DePasco moved that motion lay on the table, which motion prevailed.

Senator Maxwell moved that the Senate refuse to recede from its position on **SS** for **SCS** for **HS** for **HB 450**, as amended, and grant the House a conference thereon, which motion prevailed.

Senator Clay moved that **SCS** for **SB 386**, with **HCS**, as amended, be taken up for 3rd reading and final passage, which motion prevailed.

**HCS** for **SCS** for **SB 386**, as amended, entitled:

HOUSE COMMITTEE SUBSTITUTE FOR  
SENATE COMMITTEE SUBSTITUTE FOR  
SENATE BILL NO. 386

An Act to repeal sections 362.247, 362.680, 362.925, 362.930, 365.010, 365.020, 370.107, 374.070, 456.040, 475.092 and 511.030, RSMo 1994, and sections 143.471, 362.077, 362.275, 362.550, 362.610, 374.205, 400.3-312, 456.520, 475.093, 483.310 and 620.010, RSMo Supp. 1998, relating to financial institutions, and to enact in lieu thereof thirty-seven new sections relating to the same subject, with penalty provisions and with an emergency clause for certain sections.

Was taken up.

Senator Mathewson assumed the Chair.

Senator Clay moved that **HCS** for **SCS** for **SB 386**, as amended, be adopted, which motion prevailed by the following vote:

YEAS—Senators

Banks	Bentley	Caskey	Childers
Clay	DePasco	Ehlmann	Flotron
Goode	Graves	House	Howard
Jacob	Johnson	Kenney	Kinder
Klarich	Mathewson	Maxwell	Mueller
Quick	Rohrbach	Russell	Schneider
Scott	Sims	Singleton	Steelman
Stoll	Westfall	Wiggins	Yeckel—32

NAYS—Senator Bland—1

Absent—Senator Staples—1

Absent with leave—Senators—None

On motion of Senator Clay, **HCS** for **SCS** for **SB 386**, as amended, was read the 3rd time and passed by the following vote:

YEAS—Senators

Banks	Bentley	Bland	Caskey
Childers	Clay	DePasco	Ehlmann
Flotron	Goode	Graves	House
Howard	Jacob	Johnson	Kenney
Kinder	Klarich	Mathewson	Maxwell
Mueller	Quick	Rohrbach	Russell
Schneider	Scott	Sims	Singleton
Staples	Steelman	Stoll	Westfall
Wiggins	Yeckel—34		

NAYS—Senators—None

Absent—Senators—None

Absent with leave—Senators—None

The President declared the bill passed.

The emergency clause was adopted by the following vote:

YEAS—Senators

Banks	Bentley	Bland	Caskey
Childers	Clay	DePasco	Ehlmann
Flotron	Graves	House	Howard
Jacob	Johnson	Kenney	Kinder
Klarich	Mathewson	Maxwell	Mueller
Quick	Rohrbach	Russell	Schneider
Scott	Sims	Singleton	Staples
Steelman	Stoll	Westfall	Wiggins
Yeckel—33			

NAYS—Senators—None

Absent—Senator Goode—1

Absent with leave—Senators—None

On motion of Senator Clay, title to the bill was agreed to.

Senator Clay moved that the vote by which the

bill passed be reconsidered.

Senator DePasco moved that motion lay on the table, which motion prevailed.

Bill ordered enrolled.

### CONFERENCE COMMITTEE APPOINTMENTS

President Pro Tem Quick appointed the following conference committee to act with a like committee from the House on **SS** for **SCS** for **HCS** for **HB 450**, as amended: Senators Maxwell, Quick, Goode, Graves and Yeckel.

### PRIVILEGED MOTIONS

Senator Howard, on behalf of the conference committee appointed to act with a like committee from the House on **HCS** for **SCS** for **SBs 31** and **285**, as amended, submitted the following conference committee report:

#### CONFERENCE COMMITTEE REPORT NO. 2 ON HOUSE COMMITTEE SUBSTITUTE FOR SENATE COMMITTEE SUBSTITUTE FOR SENATE BILLS NOS. 31 and 285

Mr. President: Your Conference Committee, appointed to confer with a like committee of the House, on House Committee Substitute for Senate Committee Substitute for Senate Bills Nos. 31 and 285, with House Amendments Nos. 1, 2, 3, 4, 5, 6, 7, 8, 10 and 11; begs leave to report that we, after free and fair discussion of the differences between the House and Senate, have agreed to recommend and do recommend to the respective bodies as follows:

1. That the House recede from its position on House Committee Substitute for Senate Committee Substitute for Senate Bills Nos. 31 and 285, as amended;

2. That the Senate recede from its position on Senate Committee Substitute for Senate Bills Nos. 31 and 285; and

3. That the attached Conference Committee Substitute for House Committee Substitute for Senate Committee Substitute for Senate Bills Nos. 31 and 285 be truly agreed to and finally passed.

**FOR THE SENATE: FOR THE HOUSE:**

/s/ Jerry Howard /s/ Jim Seigfreid  
 /s/ Harold Caskey /s/ Rita Days  
 /s/ Joe Maxwell /s/ Gracia Backer  
 /s/ Franc Flotron /s/ Beth Long  
 /s/ Larry Rohrbach /s/ Carl Hendrickson

Senator Howard moved that the above conference committee report no. 2 be adopted, which motion prevailed by the following vote:

**YEAS—Senators**

Banks	Bentley	Bland	Caskey
Childers	Clay	DePasco	Ehlmann
Flotron	Goode	Graves	House
Howard	Jacob	Johnson	Kenney
Kinder	Klarich	Mathewson	Maxwell
Mueller	Quick	Rohrbach	Russell
Schneider	Scott	Sims	Singleton
Staples	Steelman	Stoll	Westfall
Wiggins	Yeckel—34		

**NAYS—Senators—None**

Absent—Senators—None

Absent with leave—Senators—None

On motion of Senator Howard, **CCS No. 2** for **HCS** for **SCS** for **SBs 31** and **285**, entitled:

**CONFERENCE COMMITTEE SUBSTITUTE  
 NO. 2 FOR  
 HOUSE COMMITTEE SUBSTITUTE FOR  
 SENATE COMMITTEE SUBSTITUTE FOR  
 SENATE BILLS NOS. 31 and 285**

An Act to repeal sections 105.473, 105.955, 105.963, 130.031, 130.036, 130.046, 130.050, 130.056, 130.057 and 130.110, RSMo Supp. 1998, and both versions of section 130.041, as they appear in RSMo Supp. 1998, relating to certain procedures of public entities responsible for campaign finance administration, and to enact in lieu thereof fifteen new sections relating to the same subject, with an emergency clause for a certain section.

Was read the 3rd time and passed by the following vote:

**YEAS—Senators**

Banks	Bentley	Bland	Caskey
Childers	Clay	DePasco	Ehlmann
Flotron	Goode	Graves	House
Howard	Jacob	Johnson	Kenney
Kinder	Klarich	Mathewson	Maxwell
Mueller	Quick	Rohrbach	Russell
Schneider	Scott	Sims	Singleton
Staples	Steelman	Stoll	Westfall
Wiggins	Yeckel—34		

**NAYS—Senators—None**

Absent—Senators—None

Absent with leave—Senators—None

The President declared the bill passed.

The emergency clause was adopted by the following vote:

**YEAS—Senators**

Banks	Bentley	Bland	Caskey
Childers	Clay	DePasco	Ehlmann
Flotron	Goode	Graves	House
Howard	Jacob	Johnson	Kenney
Kinder	Klarich	Mathewson	Maxwell
Mueller	Quick	Rohrbach	Russell
Schneider	Scott	Sims	Singleton
Staples	Steelman	Stoll	Westfall
Wiggins	Yeckel—34		

**NAYS—Senators—None**

Absent—Senators—None

Absent with leave—Senators—None

On motion of Senator Howard, title to the bill was agreed to.

Senator Howard moved that the vote by which the bill passed be reconsidered.

Senator DePasco 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:



Mr. President: I am instructed by the House of Representatives to inform the Senate that the House has taken up and passed **HS** for **HCS** for **SB 20**, entitled:

An Act to repeal sections 67.1421, 67.1461, 67.1501 and 67.1531, RSMo Supp. 1998, relating to community improvement, and to enact in lieu thereof twenty-seven new sections relating to the same subject, with penalty provisions.

With House Amendments Nos. 1, 2, 3, 4, 5 and 7.

#### HOUSE AMENDMENT NO. 1

Amend House Substitute for House Committee Substitute for Senate Bill No. 20, Page 52, Section 1, Line 4 of said page, by inserting after all of said line the following:

"Section B. Sections 32.110, 32.111, 32.112, 32.115, 135.530 and 135.535, RSMo Supp. 1998, are repealed and eleven new sections enacted in lieu thereof, to be known as sections 32.110, 32.111, 32.112, 32.115, 135.530, 135.535, 1, 2, 3, 4 and 5, to read as follows:

32.110. Any business firm which engages in the activities of providing physical revitalization, economic development, job training or education for individuals, community services, or crime prevention in the state of Missouri shall receive a tax credit as provided in section 32.115 if the director of the department of economic development annually approves the proposal of the business firm; except that, no proposal shall be approved which does not have the endorsement of the agency of local government within the area in which the business firm is engaging in such activities which has adopted an overall community or neighborhood development plan that the proposal is consistent with such plan. The proposal shall set forth the program to be conducted, the neighborhood area to be served, why the program is needed, the estimated amount to be contributed to the program and the plans for implementing the program. If, in the opinion of the director of the department of economic development, a business firm's contribution can more consistently with the purposes of sections 32.100 to 32.125 be made through contributions to a neighborhood

organization as defined in subdivision (12) of section 32.105, tax credits may be allowed as provided in section 32.115. The director of the department of economic development is hereby authorized to promulgate rules and regulations for establishing criteria for evaluating such proposals by business firms for approval or disapproval and for establishing priorities for approval or disapproval of such proposals by business firms with the assistance and approval of the director of the department of revenue. The total amount of tax credit granted for programs approved pursuant to sections 32.100 to 32.125 shall not exceed fourteen million dollars in fiscal year 1999 and [twenty-two] **twenty-six** million dollars in fiscal year 2000, and any subsequent fiscal year, except as otherwise provided for proposals approved pursuant to section 32.111, 32.112 or 32.117. **All tax credits authorized pursuant to the provisions of sections 32.100 to 32.125 may be used as a state match to secure additional federal funding.**

32.111. Any business firm which engages in providing affordable housing assistance activities **or market rate housing in distressed communities as defined in section 135.530, RSMo**, in the state of Missouri shall receive a tax credit as provided in section 32.115 if the commission or its delegate approves a proposal submitted by one or more business firms for the provision of affordable housing units **or market rate housing in distressed communities** or in accordance with the requirements of participation in the workfare renovation project in sections 215.340 to 215.355, RSMo. The proposal shall set forth the program of affordable housing to be conducted, the location and number of affordable housing units, the neighborhood area to be served, why the program is needed, the time period for which affordable housing units shall be provided, the estimated amount to be invested in the program, plans for implementing the program and a list of the business firms proposing to provide affordable housing assistance activities which are part of the proposal. **The same type of information shall be provided in proposals for market rate housing in distressed communities.** In the case of rental units **of affordable housing, but not market rate housing in distressed**

**communities**, all proposals approved by the commission shall require a land use restriction agreement stating the provision of affordable housing on [said] **such** property for a time period deemed reasonable by the commission. In the case of owner-occupied units **of affordable housing**, all proposals approved by the commission shall require a land use restriction agreement for a time period deemed reasonable by the commission requiring any subsequent owner, except a lender with a security interest in the property, to be an owner occupant whose income at the time of acquisition is at or below the level described in section 32.105, and further requiring the acquisition price to any subsequent owner shall not exceed by more than a five percent annual appreciation the acquisition price to the original, eligible owner at the time tax credits are first claimed. The land use restriction agreement shall constitute a lien as described in subdivision (4) of subsection 3 of section 32.115. The restriction shall be approved by the property owner and shall be binding on any subsequent owner of the property unless otherwise approved by the commission. In approving a proposal, the commission may authorize the use of tax credits by one or more of the business firms listed in the proposal and shall establish specific requirements regarding the degree of completion of affordable housing assistance activities **or market rate housing activities in distressed communities** necessary to be eligible for tax credits provided pursuant to this section. If, in the opinion of the commission or its delegate, a business firm's investment can more consistently with the purposes of this section be made through a neighborhood organization, tax credits may be allowed as provided in this section. The commission may approve requests for multiyear credit commitments provided eligibility is maintained. The commission or its delegate is hereby authorized to promulgate rules and regulations for establishing criteria for evaluating such proposals by business firms for approval or disapproval, for establishing housing priorities for approval or disapproval of such proposals by business firms, and for the certification of eligibility for tax credits authorized pursuant to this section. The decision of the commission or its

delegate to approve or disapprove a proposal pursuant to this section shall be in writing, and if approved, the maximum credit allowable to the business firm shall be stated. A copy of the decision of the commission or its delegate shall be transmitted to the director of revenue and to the governor. A copy of the certification approved by the commission and a statement of the total amount of credits approved by the commission, the amount of credits previously taken by the taxpayer and the amount being claimed for the current tax year shall be filed in a manner and form designated by the director of revenue for any tax year in which a tax credit is being claimed.

32.112. Any business firm which makes a contribution to a neighborhood organization, a significant part of whose activities consist of affordable housing assistance activities **or market rate housing in distressed communities as defined in section 135.530, RSMo**, in the state of Missouri, shall receive a tax credit as provided in section 32.115 if the commission approves a proposal submitted by one or more business firms for the general operating assistance of such neighborhood organization. The proposal shall set forth the activities of the neighborhood organization, including the affordable housing assistance activities **or market rate housing in distressed communities**, the neighborhood area to be served, why the activities are needed, the estimated amount to be contributed to the neighborhood organization, and a list of the business firms proposing to make the contributions. The commission is hereby authorized to promulgate rules and regulations pursuant to section 536.024, RSMo, for establishing criteria for evaluating such proposals by business firms for approval or disapproval, and for the certification of eligibility for tax credits authorized [under] **pursuant to** this section. The decision of the commission to approve or disapprove a proposal pursuant to this section shall be in writing and, if approved, the maximum credit allowable to the business firm shall be stated. A copy of the decision of the commission shall be transmitted to the director of revenue and to the governor. A copy of the certification approved by the commission and a statement of the total amount of credits

approved, the amount of credits previously taken by the taxpayer and the amount being claimed for the current tax year shall be filed in a manner and form designated by the director of revenue for any tax year in which a tax credit is being claimed.

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, RSMo;

(2) The tax on banks determined pursuant to subdivision (2) of subsection 2 of section 148.030, RSMo;

(3) The tax on banks determined in subdivision (1) of subsection 2 of section 148.030, RSMo;

(4) The tax on other financial institutions in chapter 148, RSMo;

(5) The corporation franchise tax in chapter 147, RSMo;

(6) The state income tax in chapter 143, RSMo; and

(7) The annual tax on gross receipts of express companies in chapter 153, RSMo.

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 [section] **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 [twenty-eight] **thirty-two** million dollars in any one fiscal year, of which six million shall be credits allowed pursuant to section 135.460, RSMo. 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, RSMo**, by a business firm. Whenever [said] **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 [said] **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.

**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.**

135.530. For the purposes of [this act] **sections 100.010, 100.710 and 100.850, RSMo, sections 135.110, 135.200, 135.258, 135.313, 135.403, 135.405, 135.503, 135.530 and 135.545, section 215.030, RSMo, sections 348.300 and 348.302, RSMo, and sections 620.1400 to 620.1460, RSMo,** "distressed community" means either a Missouri municipality within a metropolitan statistical area which has a median household income of under seventy percent of the median household income for the metropolitan statistical area, according to the last decennial census, or [the] **a United States Census Block Group or contiguous group of block groups within a metropolitan statistical area which has a population of at least two thousand five hundred, and [which has] each**

**block group having** a median household income of under seventy percent of the median household income for the metropolitan area in Missouri, according to the last decennial census. In addition the definition shall include municipalities not in a metropolitan statistical area, with a median household income of **under** seventy percent of the median household income for the nonmetropolitan areas in Missouri according to the last decennial census or a Census Block Group or contiguous group of block groups which has a population of at least two thousand five hundred [which has] **each block group having** a median household income of **under** seventy percent of the median household income for the nonmetropolitan areas of Missouri, according to the last decennial census.

135.535. 1. A corporation, limited liability corporation, partnership or sole proprietorship, which moves its operations from outside Missouri or outside a distressed community into a distressed community, or which commences operations in a distressed community on or after January 1, 1999, and in either case has more than seventy-five percent of its employees at the facility in the distressed community, and which has fewer than one hundred employees for whom payroll taxes are paid, and which is a manufacturing, biomedical, medical devices, scientific research, animal research, computer software design or development, computer programming, telecommunications or a professional firm shall receive a forty percent credit against income taxes owed pursuant to chapter 143, 147 or 148, RSMo, other than taxes withheld pursuant to sections 143.191 to 143.265, RSMo, for each of the three years after such move, if approved by the department of economic development, which shall issue a certificate of eligibility if the department determines that the taxpayer is eligible for such credit. The maximum amount of credits per taxpayer set forth in this subsection shall not exceed one hundred twenty-five thousand dollars for each of the three years for which the credit is claimed. The department of economic development, by means of rule or regulation promulgated pursuant to the provisions of chapter 536, RSMo, shall assign appropriate standard industrial classification numbers to the companies

which are eligible for the tax credits provided for in this section. Such three-year credits shall be awarded only one time to any company which moves its operations from outside of Missouri or outside of a distressed community into a distressed community or to a company which commences operations within a distressed community. A taxpayer shall file an application for certification of the tax credits for the first year in which credits are claimed and for each of the two succeeding taxable years for which credits are claimed.

2. Employees of such facilities physically working and earning wages for that work within a distressed community whose employers have been approved for tax credits pursuant to subsection 1 of this section by the department of economic development for whom payroll taxes are paid shall, also be eligible to receive a tax credit against individual income tax, imposed pursuant to chapter 143, RSMo, equal to one and one-half percent of their gross salary paid at such facility earned for each of the three years that the facility receives the tax credit provided by this section, so long as they were qualified employees of such entity. The employer shall calculate the amount of such credit and shall report the amount to the employee and the department of revenue.

3. A tax credit against income taxes owed pursuant to chapter 143, 147 or 148, RSMo, other than the taxes withheld pursuant to sections 143.191 to 143.265, RSMo, in lieu of the credit against income taxes as provided in subsection 1 of this section, may be taken by such an entity in a distressed community in an amount of forty percent of the amount of funds expended for computer equipment and its maintenance, medical laboratories and equipment, research laboratory equipment, manufacturing equipment, fiber optic equipment, high speed telecommunications, wiring or software development expense up to a maximum of seventy-five thousand dollars in tax credits for such equipment or expense per year per entity and for each of three years after commencement in or moving operations into a distressed community. [A corporation, partnership or sole proprietorship, which has no more than one hundred employees for whom payroll taxes are paid, and which is already

located in a distressed community, which expends funds for such equipment as set forth in this subsection in an amount exceeding its average of the prior two years for such equipment, shall be eligible to receive a twenty-five percent tax credit against income taxes owed pursuant to chapters 143, 147 and 148, RSMo, up to a maximum of seventy-five thousand dollars in tax credits for such additional equipment and expense per such entity. Tax credits pursuant to this subsection or subsection 1 may be used to satisfy the state tax liability due in the tax year the credit is certified, and that was due during the previous three years, and in any of the five tax years thereafter.]

4. **A corporation, partnership or sole partnership, which has no more than one hundred employees for whom payroll taxes are paid, which is already located in a distressed community and which expends funds for such equipment pursuant to subsection 3 of this section in an amount exceeding its average of the prior two years for such equipment, shall be eligible to receive a tax credit against income taxes owed pursuant to chapters 143, 147 and 148, RSMo, in an amount equal to the lesser of seventy-five thousand dollars or twenty-five percent of the funds expended for such additional equipment per such entity. Tax credits allowed pursuant to this subsection or subsection 1 of this section may be carried back to any of the three prior tax years and carried forward to any of the five tax years.**

5. **An existing corporation, partnership or sole proprietorship that is located within a distressed community and that relocates employees from another facility outside of the distressed community to its facility within the distressed community, and an existing business located within a distressed community that hires new employees for that facility may both be eligible for the tax credits allowed by subsections 1 and 3 of this section. To be eligible for such tax credits, such a business, during one of its tax years, shall employ within a distressed community at least twice as many employees as were employed at the beginning of that tax year. A business hiring employees shall have no more**

**than one hundred employees before the addition of the new employees. This subsection shall only apply to a business which is a manufacturing, biomedical, medical devices, scientific research, animal research, computer software design or development, computer programming or telecommunications business, or a professional firm.**

6. Tax credits shall be approved for applicants meeting the requirements of this section in the order that such applications are received. Certificates of tax credits issued in accordance with this section may be transferred, sold or assigned by notarized endorsement which names the transferee.

[5.] 7. The tax credits allowed pursuant to subsections 1, 2 [and 3], **3, 4 and 5** of this section shall be for an amount of no more than ten million dollars for each year beginning in 1999. The total maximum credit for all entities already located in distressed communities and claiming credits pursuant to subsection [3] **4** of this section shall be seven hundred and fifty thousand dollars. The department of economic development in approving taxpayers for the credit as provided for in subsection [4] **6** of this section shall use information provided by the department of revenue regarding taxes paid in the previous year, or projected taxes for those entities newly established in the state, as the method of determining when this maximum will be reached and shall maintain a record of the order of approval. Any tax credit not used in the period for which the credit was approved may be carried over until the full credit has been allowed.

[6.] **8.** A Missouri employer relocating into a distressed community and having employees covered by a collective bargaining agreement at the facility from which it is relocating shall not be eligible for the credits in subsection 1 [or 3], **3, 4 or 5** of this section, and its employees shall not be eligible for the credit in subsection 2 of this section if the relocation violates or terminates a collective bargaining agreement covering employees at the facility, unless the affected collective bargaining unit concurs with the move.

[7.] **9.** Notwithstanding any provision of law to

the contrary, no taxpayer shall earn the tax credits allowed in this section and the tax credits otherwise allowed in section 135.110, or the tax credits, exemptions, and refund otherwise allowed in sections 135.200, 135.220, 135.225 and 135.245, respectively, for the same business for the same tax period.

**Section 2. Sections 2 to 6 of this act shall be known and may be cited as the "Rebuilding Communities and Neighborhood Preservation Act".**

**Section 3. As used in sections 4 to 6 of this act, the following terms mean:**

(1) "Department", the department of economic development;

(2) "Director", the director of the department of economic development;

(3) "Distressed community", as defined in section 135.530, RSMo;

(4) "Eligible costs for a new residence", expenses incurred for property acquisition, development, site preparation other than demolition, surveys, architectural and engineering services and construction and all other necessary and incidental expenses incurred for constructing a new market rate residence, which is or will be owner-occupied, which is not replacing a national register listed or local historic structure; except that, costs paid for by the taxpayer with grants or forgivable loans, other than tax credits, provided pursuant to state or federal governmental programs are ineligible;

(5) "Eligible costs for rehabilitation", expenses incurred for the renovation or rehabilitation of an existing residence including site preparation, surveys, architectural and engineering services, construction, modification, expansion, remodeling, structural alteration, replacements and alterations; except that, costs paid for by the taxpayer with grants or forgivable loans other than tax credits provided pursuant to state or federal governmental programs are ineligible;

(6) "Eligible residence", a single-family

residence forty years of age or older, located in this state and not within a distressed community as defined by section 135.530, RSMo, which is occupied or intended to be or occupied long term by the owner or offered for sale at market rate for owner-occupancy and which is either located within a United States census block group which, if in a metropolitan statistical area, has a median household income of less than ninety percent, but greater than or equal to seventy percent of the median household income for the metropolitan statistical area in which the census block group is located, or which, if located within a United States census block group in a nonmetropolitan area, has a median household income of less than ninety percent, but greater than or equal to seventy percent of the median household income for the nonmetropolitan areas in the state;

(7) "Flood plain", any land or area susceptible to being inundated by water from any source or located in a one hundred-year flood plain area determined by Federal Emergency Management Agency mapping as subject to flooding;

(8) "New residence", a residence constructed on land which if located within a distressed community has either been vacant for at least two years or is or was occupied by a structure which has been condemned by the local entity in which the structure is located or which, if located outside of a distressed community but within a census block group as described in subdivision (6) or (10) of this section, either replaces a residence forty years of age or older demolished for purposes of constructing a replacement residence, or which is constructed on vacant property which has been classified for not less than forty continuous years as residential or utility, commercial, railroad or other real property pursuant to article X, section 4(b) of the Missouri Constitution, as defined in section 137.016, RSMo; except that, no new residence shall be constructed in a flood plain or on property used for agricultural purposes. In a distressed community, the term "new residence" shall include condominiums,

owner-occupied units or other units intended to be owner-occupied in multiple unit structures;

(9) "Project", new construction, rehabilitation or substantial rehabilitation of a residence that qualifies for a tax credit pursuant to sections 2 to 6 of this act;

(10) "Qualifying residence", a single-family residence, forty years of age or older, located in this state which is occupied or intended to be occupied long term by the owner or offered for sale at market rate for owner-occupancy and which is located in a metropolitan statistical area or nonmetropolitan statistical area within a United States census block group which has a median household income of less than seventy percent of the median household income for the metropolitan statistical area or nonmetropolitan area, respectively, or which is located within a distressed community. A qualifying residence shall include a condominium or residence within a multiple residential structure or a structure containing multiple single-family residences which is located within a distressed community;

(11) "Substantial rehabilitation", rehabilitation the costs of which exceed fifty percent of either the purchase price or the cost basis of the structure immediately prior to rehabilitation; provided that, the structure is at least fifty years old notwithstanding any provision of sections 2 to 6 of this act to the contrary;

(12) "Tax liability", the tax due pursuant to chapter 143, 147 or 148, RSMo, other than taxes withheld pursuant to 143.191 to 143.265, RSMo;

(13) "Taxpayer", any person, partnership, corporation, trust or limited liability company.

Section 4. 1. Any taxpayer who incurs eligible costs for a new residence located in a distressed community or within a census block group as described in subdivision (10) of section 3 of this act shall receive a tax credit equal to fifteen percent of such costs against his or her tax liability. The tax credit shall not exceed forty thousand dollars per new residence in any ten-year period.



2. Any taxpayer who incurs eligible costs for a new residence located within a census block as described in subdivision (6) of section 3 of this act shall receive a tax credit equal to fifteen percent of such costs against his or her tax liability. The tax credit shall not exceed twenty-five thousand dollars per new residence in any ten-year period.

3. Any taxpayer who is not performing substantial rehabilitation and who incurs eligible costs for rehabilitation of an eligible residence or a qualifying residence shall receive a tax credit equal to twenty-five percent of such costs against his or her tax liability. The minimum eligible costs for rehabilitation of an eligible residence shall be ten thousand dollars. The minimum eligible costs for rehabilitation of a qualifying residence shall be five thousand dollars. The tax credit shall not exceed twenty-five thousand dollars in any ten-year period.

4. Any taxpayer who incurs eligible costs for substantial rehabilitation of a qualifying residence shall receive a tax credit equal to thirty-five percent of such costs against his or her tax liability. The minimum eligible costs for substantial rehabilitation of a qualifying residence shall be ten thousand dollars. The tax credit shall not exceed seventy thousand dollars in any ten-year period.

5. A taxpayer shall be eligible to receive tax credits for new construction or rehabilitation pursuant to only one subsection of this section.

6. No tax credit shall be issued pursuant to this section for any structure which is in violation of any municipal or county property, maintenance or zoning code.

7. No tax credit shall be issued pursuant to sections 2 to 6 of this act for the construction or rehabilitation of rental property.

Section 5. 1. Beginning January 1, 2000, tax credits shall be allowed pursuant to section 4 of this act in an amount not to exceed sixteen million dollars per year. Of this total amount of tax credits in any given year, eight million dollars shall be set aside for projects involving eligible residences and eight million dollars for

projects involving qualifying residences. The maximum tax credit for a project consisting of multiple-unit qualifying residences in a distressed community shall not exceed three million dollars.

2. Any amount of credit which exceeds the tax liability of a taxpayer for the tax year in which the credit is first claimed may be carried back to any of the taxpayer's three prior tax years and carried forward to any of the taxpayer's five subsequent tax years. A certificate of tax credit issued to a taxpayer by the department may be assigned, transferred, sold or otherwise conveyed. Whenever a certificate of tax credit is assigned, transferred, sold or otherwise conveyed, a notarized endorsement shall be filed with the department specifying the name and address of the new owner of the tax credit and the value of the credit.

3. The tax credits allowed pursuant to sections 2 to 6 of this act may not be claimed in addition to any other state tax credits, with the exception of the historic structures rehabilitation tax credit authorized pursuant to sections 253.545 to 253.559, RSMo, which insofar as sections 2 to 6 of this act are concerned may be claimed only in conjunction with the tax credit allowed pursuant to subsection 4 of section 4 of this act. In order for a taxpayer eligible for the historic structures rehabilitation tax credit to claim the tax credit allowed pursuant to subsection 4 of section 4 of this act, the taxpayer must comply with the requirements of sections 253.545 to 253.559, RSMo, and in such cases, the amount of the tax credit pursuant to subsection 4 of section 4 of this act shall be limited to the lesser of twenty percent of the taxpayer's eligible costs or forty thousand dollars.

Section 6. 1. To obtain any credit allowed pursuant to sections 2 to 6 of this act, a taxpayer shall submit to the department, for preliminary approval, an application for tax credit. The director shall, upon final approval of an application and presentation of acceptable proof of substantial completion of construction, issue

the taxpayer a certificate of tax credit. The director shall issue all credits allowed pursuant to sections 2 to 6 of this act in the order the applications are received. In the case of a taxpayer other than an owner-occupant, the director shall not delay the issuance of a tax credit pursuant to sections 2 to 6 of this act until the sale of a residence at market rate for owner-occupancy. A taxpayer, taxpayer other than an owner-occupant who receives a certificate of tax credit pursuant to sections 2 to 6 of this act shall, within thirty days of the date of the sale of a residence, furnish to the director satisfactory proof that such residence was sold at market rate for owner-occupancy. If the director reasonably determines that a residence was not in good faith intended for long-term owner occupancy, the director make revoke any tax credits issued and seek recovery of any tax credits issued pursuant to section 620.017, RSMo.

2. The department may cooperate with a municipality or a county in which a project is located to help identify the location of the project, the type and eligibility of the project, the estimated cost of the project and the completion date of the project.

3. The department may promulgate such rules or regulations or issue administrative guidelines as are necessary to administer the provisions of sections 2 to 6 of this act. 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, RSMo.

4. The department shall conduct annually a comprehensive program evaluation illustrating where the tax credits allowed pursuant to sections 2 to 6 of this act are being utilized, explaining the economic impact of such program and making recommendations on appropriate program modifications to ensure the program's success.

Section C. Section B of this act shall become effective on January 1, 2000."; and

Further amend said bill by amending the title

and enacting clause accordingly.

#### HOUSE AMENDMENT NO. 2

Amend House Substitute for House Committee Substitute for Senate Bill No. 20, Page 51, Section 67.1663, Line 1, by inserting after all of said line the following:

"Section 1. Sections 1 to 4 of this act shall be known and may be cited as the "Family and Community Investment Trust Act".

Section 2. 1. There is hereby created the "Family and Community Investment Trust". The trust shall be governed by a board which shall include the directors of the departments of corrections, elementary and secondary education, health, labor and industrial relations, economic development, mental health and social services. The board shall also include seven private sector members of various backgrounds reflective of the geographic and demographic diversity of the state, including persons with evaluation expertise and experience with business partnerships, with knowledge of community organization and support systems, and of the needs and circumstances of children and families. Members shall be residents of the state of Missouri. The private sector members shall be appointed by the governor, with the advice and consent of the senate, based on recommendations from private and public community-based organizations or individuals. Additional department directors may be appointed; however, an additional private sector member shall be appointed for each additional department director appointed. Private sector members shall serve staggered three-year terms and shall serve no more than two consecutive terms. The governor may appoint nonvoting members to the trust as deemed appropriate by the governor and the trust board.

2. The board shall elect from among its membership cochairpersons, one each from the public and private sectors. Members of the board shall receive no compensation, but may receive reimbursement for their actual and necessary expenses incurred in the performance of their official duties as members of the board.

3. The purpose of the trust is to provide leadership through a public-private partnership, in collaboration with community agencies and organizations, to measurably improve the well-being of Missouri's families, children, individuals and communities, and encourage collaboration among public and private entities to build and strengthen comprehensive community-based support systems. The trust shall also coordinate its efforts with other statewide boards and commissions to advise the governor and legislature on statewide goals and objectives to improve the well-being of Missouri's families, children, individuals and communities through the efficient and effective coordination of state resources.

Section 3. 1. The trust, a body corporate and politic, shall have the following powers together with all other powers incidental thereto or necessary for the performance thereof; provided, however, that the trust shall not supersede the statutory authority of the state departments:

(1) To receive, accept and utilize gifts, grants, donations, contributions, money, property, facilities and services, with or without consideration, from any person, firm, corporation, foundation or other entity, or from this state or any agency, instrumentality or political subdivision thereof, from the United States government or any agency, instrumentality thereof, for the purpose of providing sustained technical support and training for state agencies and communities in their attempts to improve the well-being of Missouri's families, children, individuals and communities. Technical training and support shall be available through representatives of state agencies, existing community agencies, community development specialists and qualified researchers;

(2) To create an action plan, in collaboration with community agencies and state agencies, that identifies a common core of specific outcome measures across communities, that assures accountability, and that incorporates

interagency and community strategies and other initiatives to improve the well-being of children, families and communities;

(3) To monitor the implementation of and evaluate the effectiveness of the action plan in achieving the core outcomes across the state;

(4) To devise strategies to respond to any federal fiscal policy changes affecting programs which impact on the well-being of children, youth and families in this state, including those changes required by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, P.L. 104-193, as amended.

2. The trust shall be responsible for advising the governor and the general assembly on state budget or policy changes necessary to achieve:

(1) Accountability for outcomes;

(2) Bringing services closer to where families live and work, and children attend school;

(3) Active community involvement in local decision making to measurably improve the well-being of children, families and individuals;

(4) Effective use of funds to meet community needs and priorities consistent with the appropriations process of the general assembly and state policy goals.

3. The trust shall hold at least two public hearings a year. One of these hearings shall be held prior to the submission of the departmental budget proposals to the governor, and the trust shall provide its budget proposals to anyone requesting such proposals prior to the hearing. All other meetings of the trust shall be subject to the provisions of chapter 610, RSMo.

Section 4. 1. There is hereby established the "Family and Community Investment Trust Legislative Oversight Committee". The committee shall be comprised of five members of the house of representatives appointed by the speaker of the house with no more than three members from any one political party and five members of the senate appointed by the

president pro tem of the senate with no more than three members from any one political party.

**2. The committee shall:**

(1) Ensure that the family and community investment trust is overseeing the state's progress in meeting the goal of improving the well-being of families, children and communities; and

(2) Ensure accountability for expenditures of public moneys and measurement of the effectiveness of the action plan."; and

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

**HOUSE AMENDMENT NO. 3**

Amend House Substitute for House Committee Substitute for Senate Bill No. 20, Page 52, Section 1, Line 4, by inserting after all of said line the following:

"Section 2. 1. This section shall be known and may be cited as the "Summer Jobs Program". This tax credit program shall be administered by the department of economic development as a pilot project from January 1, 2000, until December 31, 2002, with the goal of creating employment for youths in urban areas. No later than December 1, 2001, the department of economic development shall submit to the general assembly a report which outlines the effectiveness of the program.

2. For all taxable years beginning on or after January 1, 2000, and before January 1, 2003, an individual or corporate taxpayer shall be allowed a credit against the tax otherwise due pursuant to chapter 143, RSMo, excluding sections 143.191 to 143.261, RSMo, for up to twenty-five thousand dollars of the amount expended to establish, in any city with a population greater than three hundred fifty thousand, located in more than one county, a summer job program to employ youths who are between sixteen and nineteen years of age and whose family income is equal to or below one hundred fifty percent of the federal poverty level.

3. To receive the credit allowed pursuant to this section, a taxpayer shall submit an application to the department of economic development in a form prescribed by the department of economic development. Upon approval of a taxpayer's application, the department of economic development shall issue a certificate of tax credit which shall be submitted by the taxpayer with such taxpayer's state income tax return. Tax credits shall be issued in the order applications are received.

4. Tax credits issued pursuant to this section are transferrable and assignable, and may be carried forward to the taxpayer's five succeeding tax years or carried back to the taxpayer's three preceding tax years until the full credit has been claimed.

5. The maximum amount of tax credits allowed pursuant to this section is two hundred thousand dollars per calendar year.

6. The department of economic development shall be authorized to promulgate any rules necessary to administer the tax credit program created by 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, RSMo."; and

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

**HOUSE AMENDMENT NO. 4**

Amend House Substitute for House Committee Substitute for Senate Bill No. 20, Page 51, Section 67.1663, Line 1, by inserting after all of said line the following:

"89.410. 1. The planning commission shall recommend and the council may by ordinance adopt regulations governing the subdivision of land within its jurisdiction. The regulations, in addition to the requirements provided by law for the approval of plats, may provide requirements for the coordinated development of the [municipality] city, town or village; for the coordination of streets within subdivisions with other existing or planned streets or with other features of the city plan or

official map of the [municipality] **city, town or village**; for adequate open spaces for traffic, recreation, light and air; and for a distribution of population and traffic; **provided that, the city, town or village may only impose requirements and the posting of bonds regarding escrows for subdivision related regulations as provided for in subsections 2 to 4 of this section.**

2. The regulation may include, **but only include**, requirements as to the extent and the manner in which the streets of the subdivision or any designated portions thereto shall be graded and improved as well as including, **but only including**, requirements as to the extent and manner of the installation of all utility facilities[, and]. Compliance with all of these requirements is a condition precedent to the approval of the plat. The regulations or practice of the council may provide for the tentative approval of the plat previous to the improvements and **utility** installations; but any tentative approval shall not be entered on the plat. The regulations may provide that, in lieu of the completion of the work and installations previous to the final approval of a plat, the council may accept a bond **or escrow** in an amount and with surety and **other reasonable** conditions [satisfactory to it], providing for and securing the actual construction and installation of the improvements and utilities within a period specified by the council and expressed in the bond; [and] **provided that, the release of such escrow by the city, town or village shall be as specified in this section.** The council may enforce the bond by all appropriate legal and equitable remedies. The regulations may provide, in lieu of the completion of the work and installations previous to the final approval of a plat, for an assessment or other method whereby the council is put in an assured position to do the work and make the installations at the cost of the owners of the property within the subdivision. The regulations may provide for the dedication, reservation or acquisition of lands and open spaces necessary for public uses indicated on the city plan and for appropriate means of providing for the compensation, including reasonable charges against the subdivision, if any, and over a period of time and in a manner as is in the public interest.

3. **The regulations shall provide that any escrow amount held by the city, town or village to secure actual construction and installation on each component of the improvements or utilities shall be released within thirty days of completion of each category of improvement or utility work to be installed, minus a maximum retention of five percent which shall be released upon completion of all improvements and utility work. Any such category of improvement or utility work shall be deemed to be completed upon certification by the city, town or village that the project is complete including the filing of all documentation and certifications required by the city, town or village, in complete and acceptable form. The release shall be deemed effective when the escrow funds are duly posted with the United States Postal Service or other agreed upon delivery service or when the escrow funds are hand delivered to an authorized person or place as specified by the owner or developer.**

4. **If the city, town or village has not released the escrow funds within thirty days as provided in this section, the city, town or village shall pay the owner or developer in addition to the escrow funds due the owner or developer, interest at the rate of one and one-half percent per month calculated from the expiration of the thirty-day period until the escrow funds have been released. Any owner or developer aggrieved by the city, town or village's failure to observe the requirements of this section may bring a civil action to enforce the provisions of this section. In any civil action or part of a civil action brought pursuant to this section, the court shall award the prevailing party the amount of all costs attributable to the action, including reasonable attorneys' fees.**

5. **Nothing in this section shall apply to performance and payment bonds required by cities, towns or villages.**

6. **Before adoption of its subdivision regulations or any amendment thereof, a duly advertised public hearing thereon shall be held by the council.";** and

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

#### HOUSE AMENDMENT NO. 5

Amend House Substitute for House Committee Substitute for Senate Bill No. 20, In the Title, Line 2, by inserting after the word "repeal" the following: "section 88.812, RSMo 1994, and"; and

Further amend said bill, Page 1, In the Title, Line 5, by deleting the word "twenty-seven" and inserting in lieu thereof the word "twenty-eight"; and

Further amend said bill, Page 1, Section A, Line 9, by inserting after the following: "Section A." the following: "Section 88.812, RSMo 1994, and"; and

Further amend said bill, Page 1, Section A, Line 10, by deleting the word "twenty-seven" and inserting in lieu thereof the word "twenty-eight"; and

Further amend said bill, Page 1, Section A, Line 15, by deleting the following: "67.1663 and 1," and inserting in lieu thereof the following: "67.1663, 88.812 and 1,"; and

Further amend said bill, Page 51, Section 67.1663, Line 1, by inserting after all of said line the following:

"88.812. In all third class cities, fourth class cities, towns and villages, and all cities having a constitutional charter or a special charter, the assessments made for constructing and repairing sidewalks and sidewalk curbing, and for sewers, and for grading, paving, excavating, macadamizing, curbing and guttering of any street, avenue, alley, square, or other highway, or part thereof, and repairing the same, or for any other improvement authorized by sections 88.497 to 88.663, and sections 88.667 to 88.773, and sections 80.090 to 80.560, RSMo, and sections 88.777 to 88.797, and sections 88.811 to 88.861, shall be known as "special assessments for improvements", and shall be levied and collected as a special tax, and a special tax bill shall issue therefor and be paid in the manner provided by ordinance. The legislative body of such city, town or village shall

cause plans and specifications for all projects, together with an estimate of the total cost for the projects, including construction, construction contingency and fees and other expenses, and an estimate of the portion of the total cost to be assessed against each property to be benefited by the project, to be prepared by the city engineer or other proper officer, and filed with the clerk of such city, town or village, subject to the inspection of the public, and shall cause notice thereof to be published in some newspaper printed in the county for two consecutive insertions in a weekly paper, and for seven consecutive insertions in a daily paper. A public hearing shall be had before such legislative body upon the request of three or more citizens of such city, town or village, at which hearing citizens may express their assent or objection to such project. These special tax bills may include a reasonable construction contingency and an amount not to exceed twenty percent of the total cost of the improvement to be used for payment of fees and other expenses, and tax bills may bear interest not to exceed the rate on ten-year United States treasury notes as established at the most recent auction; all the tax bills shall become due and payable sixty days after the date of issue thereof, except in the case of tax bills payable in installments as herein provided; and, every special tax bill shall be a lien against the lot or tract or parcel of land described in said special tax bill for a period of ten years after date of issue, unless sooner paid, except in the case of special tax bills payable in installments, the lien of which shall not expire until one year after the date of maturity of the last installment, and except in any case where it becomes necessary to bring a suit to enforce the lien of any special tax bill, the lien of which shall continue until the expiration of the litigation. **Notwithstanding the provisions of this section, a constitutional charter city may provide for special assessments for constructing and repairing sidewalks and sidewalk curbing, and for sewers, and for grading, paving, excavating, macadamizing, curbing and guttering of any street, avenue, alley, square or other highway, or part thereof, and repairing the same, upon such terms, conditions and procedures as are set forth in its own charter or ordinances."**

#### HOUSE AMENDMENT NO. 7

Amend House Substitute for House Committee Substitute for Senate Bill No. 20, Page 21, Section 67.1600, Line 23, by striking the word "**339.545**" and inserting in lieu thereof the word "**339.549**".

In which the concurrence of the Senate is respectfully requested.

Also,

Mr. President: I am instructed by the House of Representatives to inform the Senate that the Speaker has appointed the following conferees to act with a like committee from the Senate on **SS** for **SCS** for **HCS** for **HB 888**, as amended: Representatives Leake, Williams (159), Wiggins, Hegeman and Klindt.

#### PRIVILEGED MOTIONS

Senator Goode moved that the Senate refuse to concur in **HS** for **HCS** for **SB 20**, as amended, and request the House to recede from its position and, failing to do so, grant the Senate a conference thereon, which motion prevailed.

#### REPORTS OF STANDING COMMITTEES

Senator Scott, Chairman of the Committee on Pensions and General Laws, submitted the following report:

Mr. President: Your Committee on Pensions and General Laws, to which was referred **HS** for **HCS** for **HBs 718, 225, 876** and **838**, begs leave to report that it has considered the same and recommends that the Senate Committee Substitute, hereto attached, do pass.

#### RESOLUTIONS

Senator Jacob offered Senate Resolution No. 825, regarding Michael Schmidt, Columbia, which was adopted.

Senator Bentley offered Senate Resolution No. 826, regarding the Fiftieth Wedding Anniversary of Mr. and Mrs. Melvin Moore Thompson, Springfield, which was adopted.

Senator Westfall offered Senate Resolution No. 827, regarding Nancy Gallatin, Bolivar, which was adopted.

Senator Westfall offered Senate Resolution No. 828, regarding Joyce Derryberry, Bolivar, which was adopted.

Senator Schneider offered Senate Resolution No. 829, regarding the 1949 graduating class of Highland High School, Gastonia, North Carolina, which was adopted.

Senator Schneider offered Senate Resolution No. 830, regarding Reverend Maria-Alma Rainey Copeland, Florissant, which was adopted.

Senator Scott offered Senate Resolution No. 831, regarding Mary Anne Piskulich, St. Louis, which was adopted.

Senator Mueller offered Senate Resolution No. 832, regarding Chief Daniel B. Linza, Kirkwood, which was adopted.

Senator Caskey offered Senate Resolution No. 833, regarding Stacy Thompson, Harrisonville, which was adopted.

#### INTRODUCTIONS OF GUESTS

Senator Howard introduced to the Senate, Mr. and Mrs. Larry Cooper and Jessica Cooper, Kennett.

Senator Singleton introduced to the Senate, Michelle Taylor, Danny Crahan and Bob Nuckolls, Carthage.

On motion of Senator DePasco, the Senate adjourned until 9:30 a.m., Tuesday, May 11, 1999.

## SENATE CALENDAR

SEVENTIETH DAY—TUESDAY, MAY 11, 1999

## FORMAL CALENDAR

## THIRD READING OF SENATE BILLS

SCS for SB 440-Schneider  
(In Budget Control)

## SENATE BILLS FOR PERFECTION

- |  |  |
|--|--|
| 1. SB 274-House, et al,<br>with SCS            | 7. SB 98-Kenney                          |
| 2. SBs 18, 49 & 167-<br>Goode, et al, with SCS | 8. SJR 29-Caskey                         |
| 3. SBs 398 & 376-Maxwell,<br>with SCS          | 9. SB 16-Mathewson,<br>et al, with SCA 1 |
| 4. SB 507-Childers                             | 10. SB 52-Klarich and<br>Flotron         |
| 5. SB 413-Johnson, et al                       | 11. SB 236-Stoll                         |
| 6. SJR 16-Schneider,<br>with SCS               | 12. SB 447-Stoll                         |

## HOUSE BILLS ON THIRD READING

- |   |  |
|---|--|
| 1. HCS for HB 267, with<br>SCS (Scott)<br>(In Budget Control)                   | 5. HB 64-Long (Russell)                              |
| 2. HS for HCS for HBs 246 &<br>405-Bray, with SCS (Clay)<br>(In Budget Control) | 6. HS for HCS for HB 822-<br>Liese, with SCS (Clay)  |
| 3. HCS for HBs 603, 722<br>& 783, with SCS (Goode)<br>(In Budget Control)       | 7. HCS for HBs 321 & 493,<br>with SCAs 1 & 2 (Jacob) |
| 4. HB 368-Murray and Franklin,<br>with SCS (Goode)                              | 8. HCS for HBs 192 & 945,<br>with SCS (Maxwell)      |
|   | 9. HCS for HB 389, with<br>SCS (Klarich)             |
|   | 10. HCS for HB 599, with<br>SCS (Jacob)              |



- 11. HCS for HBs 430 & 648,  
with SCS (Quick)
- 12. HS for HCS for HBs 283, 286,  
325, 370, 551, 36, 42, 73,  
111, 341, 619, 62 & 579-Hosmer,  
with SCS (Maxwell)  
(In Budget Control)

- 13. HS for HCS for HB 826-  
Harlan, with SCS  
(In Budget Control)
- 14. HCS for HJR 26, with SCS
- 15. HS for HCS for HBs 718,  
225, 876 & 838-Harlan, with  
SCS (Maxwell)

INFORMAL CALENDAR

THIRD READING OF SENATE BILLS

- SS for SCS for SBs 75,  
381 & 204-Wiggins
- SS for SCS for SBs 347,  
40, 241 & 301-House

- SCS for SB 425-Stoll, et al
- SB 472-House

SENATE BILLS FOR PERFECTION

- SB 5-Wiggins, with SS,  
SA 2 & point of order  
(pending)
- SB 30-Howard, with SCS  
(pending)
- SB 78-Russell, with SA 4  
(pending)
- SB 97-Maxwell and Sims
- SB 179-Goode, with SA 3 &  
SSA 1 for SA 3 (pending)
- SB 203-Wiggins
- SB 208-House, with SCS &  
SS for SCS (pending)
- SB 235-Stoll, with SS &  
SA 2 (pending)

- SB 316-Schneider and  
Ehlmann
- SB 318-Jacob, et al, with  
SCS & SS for SCS  
(pending)
- SB 339-Howard and Sims,  
with SCS & SS#2 for  
SCS (pending)
- SB 345-Johnson, with SS  
(pending)
- SB 397-Maxwell, with SCS
- SB 417-Quick, with SS#2 &  
SA 1 (pending)
- SBs 429, 430 & 407-Jacob,  
with SCS & SA 2  
(pending)

## HOUSE BILLS ON THIRD READING

HB 191-Dougherty, et al, with SCS (Maxwell)	HS for HCS for HB 618- Harlan, with SCS, SS#2 for SCS & SA 1 (pending) (Maxwell)
HCS for HBs 316, 660 & 203, with SCS (Howard)	HCS for HB 676, with SCS, SS for SCS & SA 11 (pending) (Stoll)
HCS for HB 349, with SCS & SS for SCS (pending) (Clay)	HS for HCS for HB 701- Rizzo, with SCS & SS for SCS (pending) (Mathewson)
HB 468-Koller, with SCS, SA 1, SSA 1 for SA 1 & point of order (pending) (Staples)	HCS for HB 780, with SCS (Stoll)
HCS for HB 490 & HCS for HB 308, with SCS, SS for SCS & SA 3 (pending) (Sims)	HS for HCS for HB 793- Treadway, with SCS (Mathewson)
HS for HB 516-Gaw, with SCS & SS for SCS (pending) (Jacob)	HCS for HB 889 (Stoll)
HB 542-Barry, with SCS (House)	HJR 5-Barry, et al, with SA 2 & point of order (pending) (Stoll)

## CONSENT CALENDAR

## House Bills

Reported 4/13

HB 775-Hosmer, with SCS  
(Bentley)

Reported 4/14

HB 680-Leake, et al, with  
SCA 1 (Stoll)

HB 903-Auer (Jacob)  
HB 926-Liese and Ward (Jacob)

Reported 4/15

HB 812-Berkowitz, et al,  
with SCS (Maxwell)  
HB 988-Backer (Wiggins)

HB 399-Bray (Wiggins)  
HB 472-Nordwald (House)

SENATE BILLS WITH HOUSE AMENDMENTS

SB 32-Howard, with HS  
SB 115-Russell, with HCA 1  
SB 294-Staples, with HA 1, HA 2,  
HA 3, HA 4, HA 6 & HA 7  
SCS for SBs 295 & 46-  
Schneider, et al, with  
HS for HCS, as amended

SCS for SBs 308 & 314-Scott  
and Russell, with HS for  
HCS, as amended  
SB 326-Goode, with HS

BILLS IN CONFERENCE AND BILLS  
CARRYING REQUEST MESSAGES

In Conference

SCS for SBs 8 & 173-Banks,  
with HS for HCS, as amended  
SCS for SBs 31 & 285-Howard,  
with HCS, as amended  
(Senate adopted CCR#2  
and passed CCS#2)  
SB 76-Banks, with HA 1,  
HA 2, HA 3 & HA 4  
(Senate adopted CCR  
and passed the bill)  
SB 219-Caskey, with HCS,  
as amended  
(Senate adopted CCR  
and passed CCS)  
SS#2 for SB 288-Quick,  
with HCS, as amended  
SB 291-Caskey, with HS  
for HCS, as amended  
(Senate adopted CCR#2  
and passed CCS#2)

SS for SCS for SB 338-  
Howard and Sims, with  
HS for HCS, as amended  
SCS for SB 436-Quick,  
with HS for HCS, as  
amended  
HB 65-O'Toole and May  
(108th), with SS for SCS,  
as amended (Scott)  
HCS for HB 139, with SCS,  
as amended (Russell)  
HS for HB 450-Relford,  
with SS for SCS, as  
amended (Maxwell)  
HCS for HB 888, with SS  
for SCS, as amended  
(Mathewson)

## Requests to Recede or Grant Conference

SB 20-Goode, et al, with  
 HS for HCS, as amended  
 (Senate requests House  
 recede or grant conference)

HCS for HCRs 6 & 7 (Staples),  
 with SA 1, as amended & SA 2  
 (Senate refuses to recede and  
 requests House grant conference)

SB 196-DePasco  
 (Senate requests House  
 take up and pass the bill)

Unofficial  
 RESOLUTIONS

SR 359-Ehlmann  
 SCR 9-Mueller

SCR 13-Stoll, with HA 1

## Reported from Committee

HCR 17-Barnett (Graves)  
 HCS for HCR 29, with SCS  
 (Howard)  
 HCR 30-Clayton, with SCS  
 (Wiggins)

Journal  
 HCS for HCRs 24 & 15,  
 with SCS (Clay)  
 SR 588-Sims  
 HCR 35-Thompson (37th),  
 et al (Bland)

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