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Strategic Government Relations

The Powers Report

A Weekly Summary of Activities in Jefferson City

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Here comes another grand jury watch

Jefferson City has been awash with rumors of a federal investigation into possible “pay for play” activities and grand jury subpoenas. Today, reporter Steve Kraske with the *Kansas City Star* was the first to go to print with two critical elements of a story: a credible name attached to a quote and official confirmation of federal grand jury meeting dates.

According to the *Star*, the feds are interested in how former speaker Rod Jetton handled a Senate-passed bill putting heavy regulations on the strip club industry in 2005.

“No question there’s interest in Rod Jetton,” said Bob Johnson of Lee’s Summit. He’s a former legislator who was chairman of the House Local Government Committee in 2005. “That’s all they wanted to talk about.”

Johnson opposed the bill at the time, telling the *Star*, “People knew I had issues with the bill.” Jetton assigned the bill to Johnson’s committee four days after a group of strip club owners donated \$35,000 to a fund-raising committee run by the speaker’s general counsel. Johnson said he was unaware of the contribution and it “had no bearing” on the fate of the bill.

Johnson told the *Star* he was interviewed by three federal agents on January 14 and the only issue was the strip club bill and the way Jetton handled it.

The *Star* reports a federal grand jury is scheduled to meet in Kansas City on January 26, February 2, and February 9. What usually happens in these situations is a gaggle of reporters will hang around the federal courthouse to see who goes in and try to talk to them when they leave. Some will talk; some won’t. But either way, the circus will definitely be open for business.

State of the State

Gov. Jay Nixon delivered his State of the State speech this week, focusing on job creation, boosting home ownership, cracking down on payday loan companies, balancing the budget without tax increases, rolling out broadband to rural areas, forcing insurance companies to cover autism treatment, getting tougher on drunk drivers, putting young people to work in the state park system, and passing a tough ethics law.

In a sharply-worded Republican response, Lt. Gov. Peter Kinder took the governor to task for “irresponsibly” using federal stimulus dollars to balance the budget instead of creating jobs, chastised the governor for the decision by the State Tax Commission to raise property taxes

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on certain farmland, said the governor had “mismanaged” the budget and forced taxpayers to wait too long to receive tax refunds, accused the governor of over-paying his staff, and demanded the governor oppose the federal health care bill in Washington.

“By remaining silent,” Kinder said, “Governor Nixon is aiding and abetting the Washington democrats’ agenda, and that is unacceptable.”

The full text of the governor’s speech is here: <http://bit.ly/6DJ7zu>. The full text of the Republican response is here: <http://bit.ly/6kHpyL>.

FY11 Budget

The governor’s proposed budget assumes general revenue collections of \$7.22 billion. That’s way below the \$8 billion the state collected in FY08. The budget eliminates 544 state jobs and cuts more than \$250 million out of core programs, including \$121 million from Medicaid.

But the hottest issue rippling through the capitol this week was this: the proposed budget underfunds the foundation formula for elementary and secondary education by \$87 million.

One senator bluntly said, “If we underfund the formula, we will get sued again, and this time we will lose.”

One of the places this particular senator is looking to make up the difference: state employee fringe benefits, including payments for health insurance.

You can read the same press packet the media received here: <http://bit.ly/8JO9BW>.

Ethics debate underway

The House committee on ethics met this week and heard HB 1322 from Rep. Paul LeVota (D-Independence) and HB 1500 from Rep. Steve Tilley (R-Perryville) – in that order. The chairman - Rep. Kevin Wilson (R-Neosho) - went out of his way to emphasize the importance of approaching the issue of ethics in a bipartisan way.

“I will not send out a bill that doesn’t have bipartisan support,” Wilson declared as the meeting began. “Folks, we can’t fail in this.”

HB 1322 restores campaign finance limits: \$2,000 for a statewide candidate, \$1,000 for a state senator, and \$500 for a state representative.

“The lack of limits has been harmful to the system,” LeVota said.

Tilley opposes limits, but admitted that if the committee puts limits into his bill, “I won’t kill it.”

Rep. James Morris (D-St. Louis), a member of the committee, thinks campaign limits are critical to ethics reform. “What is out there is clearly cash for votes,” he said. “We must address that in some way.”

HB 1500 bans gifts and meals from lobbyists and stops the practice of legislators hiring each other as campaign consultants, along with several other things. We fully analyzed the bill in an earlier report. For a refresher, or if you missed it, go here:

http://www.prestigepowers.com/HB_1500_analysis.pdf.

“I come as a sinner, and not necessarily a saint,” Tilley told the committee. He used to accept meals and such from lobbyists, but no more. He talked about being able to pick up the phone and get free tickets to baseball games or dinner for the family. “Just because we serve in this position should not give us the right to feel like we’re entitled to that kind of stuff.”

The committee will hear several other ethics-related bills next week. Look for this committee to hear every ethics bill filed before crafting a committee substitute that will no doubt carry several bill numbers. But, obviously, Tilley will be handling the bill. If campaign limits are added, look for an effort to come up with one figure for all offices, like the federal limit, instead of the \$2,000/\$1,000/\$500 approach filed by LeVota.

Don't smoke 'em if you got 'em

Rep. Walt Bivins (R-St. Louis) filed a far-reaching bill this week to ban smoking in all public places statewide, including bars, casinos, playgrounds, and private clubs. It's HB 1766.

The bill also requires that at least 80% of hotel and motel rooms be smoke-free. Of the other 20% that may be designated as smoking rooms, all of them must be on the same floor and contiguous. In addition, smoke cannot be allowed to infiltrate areas where smoking is not allowed, including the hallways. Rooms can be converted from smoking to non-smoking, but not from non-smoking to smoking.

HB 1766 also outlaws smoking in several outdoor places, including within 15 feet of doorways, operable windows and ventilation systems; all outdoor arenas and amphitheatres and within 15 feet of any bleachers; within 15 feet of a bus shelter; and within 15 feet of any playground.

The bill allows smoking to occur in private residences, unless the residences are used for a child care, adult day care, or health care facility; tobacco retail stores; outdoor employment areas that aren't otherwise included in the banned locations; and those hotel or motel rooms designated for smoking.

The bill also bans ashtrays from any area where smoking is prohibited.

The smoking ban will be enforced by the Department of Health and Senior Services. A person who lights up in the wrong place would be guilty of an infraction. The owner or manager of a facility included in the ban that allows smoking to occur would get hit with a fine \$50 the first time, \$100 for the second offense within a year, and \$500 for a third offense within a year. Any licenses – like a liquor license – could also be suspended or revoked.

Cities and counties would be allowed to pass an even stricter ban – if they can imagine one.

About 160 bills were filed this week

Here are the highlights:

- HB 1683 puts a moratorium on the death penalty and creates a commission to study the issue.
- HB 1684 gives the director of the Department of Economic Development wide authority to mold incentive packages to help existing businesses expand. SB 813 is similar.
- HB 1689 makes it illegal to possess dog fighting paraphernalia.
- HB 1690 does away with motor vehicle safety inspections for most vehicles.
- HB 1695 makes numerous changes to DWI laws, as do HB 1696, HB 1697, HB 1702, HB 1742, and HB 1743. All were filed by Rep. Bryan Stevenson (R-Webb City), the chairman of the House Judiciary Committee. We'll be analyzing all of this in a future report.
- HB 1711 requires social workers to report suspected illegal drug use by welfare recipients.

- HB 1714 would license home inspectors.
 - HB 1731 creates the Missouri Commission on Prevention and Management of Obesity. “XXL’s Law”
 - HB 1733 requires health insurance companies to cover eating disorders. So does HB 1734.
 - HB 1748 is the bill the governor wants to allow his administration to declare the Lake of the Ozarks a “distressed” body of water and take action to clean it up.
 - HB 1754 requires elected officials and leadership staff to be tested for illegal drugs before taking office and every two years thereafter. The bill also requires legislators to forfeit the office if they get arrested more than once during a term.
 - HB 1758 creates a Blue Alert System to help locate people suspected of killing or wounding law enforcement officers.
 - HB 1767 exempts eyeglasses from the sales tax.
 - HB 1769 requires public bodies to make an audio recording of all closed meetings so a judge can listen in if anyone accuses the body of holding an improperly closed meeting.
 - HB 1777 designates May 10th as Colon Cancer Awareness Day.
 - HB 1778 designates September 14th as Organ Donor Awareness Day.
 - HB 1781 allows legislators with conceal carry permits to pack heat inside the capitol. “Smith & Wesson’s Law”
 - HB 1782 requires anyone buying 12 or more disposable cell phones at once to be entered into a database kept by the attorney general.
 - HB 1783 creates a gas tax holiday every Memorial Day and Labor Day weekend.
 - HB 1786 provides public funding to attract sporting events to Missouri.
 - HCR 32 urges Congress to defeat cap & trade.
 - HCR 34 urges Congress to pass a federal balanced budget amendment. So does HCR 35.
 - HJR 82 would have the Missouri Senate try all impeachments, instead of the Missouri Supreme Court.
 - SB 800 is another ethics bill. This one would require lobbyists to publicly disclose their fees, among other things.
 - SB 801 requires credit reporting bureaus to block information that resulted from identity theft.
 - SB 804 makes February 14th Epilepsy Awareness Day. Wait, isn’t that taken for something?
 - SB 812 allows Multiple Sclerosis license plates that say, “JOIN THE MOVEMENT.”
 - SCR 40 ratifies the Equal Rights Amendment.
 - SCR 42 encourages the creation of “starlight preserves.”
 - SJR 32 requires a two-thirds majority for the General Assembly to pass a new tax or raise an old one.
 - SJR 34 requires the attorney general to seek relief from the feds when directed by the governor, the general assembly, or even a petition of the voters.
- Questions about these or other bills should be directed to your lobbyist.

Quote of the Week

In his State of the State Address, Gov. Nixon went hard after payday loan companies, which he referred to as “voracious predators.” He said:

“Hard times are like fertilizer for payday lenders. They just pop up overnight, like mushrooms.”

Here’s hoping you have a week without fertilizer!

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