



# Prestige + Powers

## *Strategic Government Relations*

In the news...

April 17, 2009

### **Missouri company to make batteries in Michigan**

The news this week that a company based in Lee's Summit, MO (Kokam America Inc.) has decided to build a battery factory in Michigan instead of Missouri landed with a deafening thud in Jefferson City. Gov. Nixon pointed to the 900 jobs being created in Michigan instead of Missouri and chided the Senate for dragging its feet on the jobs bill (HB 191, the latest version of which is located here:

<http://www.house.mo.gov/billtracking/bills091/hlrbillspdf/0837S.06C.PDF>).

"We could have been in the running for these jobs," Nixon said, declaring that if HB 191 was already law, Missouri's incentive package to Kokam could have been about \$24 million higher.

The jobs bill has been stalled in the Senate, snagged in a debate over whether tax credits should be capped and subject to the annual appropriations process.

Kokam says it still has plans to expand in Missouri, with expectations to build as many as ten new battery factories in the years ahead. The head of Kokam expects his batteries to play a large role in the future of the automotive industry. You can learn more about Kokam here:

<http://www.kokamamerica.com/news.htm>.

By the end of the week, House Speaker Ron Richard was so disgusted with the Senate that he refused to put the budget bills on the calendar until the Senate acts on the jobs bill. The constitution requires the General Assembly to pass the budget bills in their final form no later than May 8. If they miss that date, the budget process would have to start all over again with a special session. The regular legislative session ends at 6pm on May 15.

Let's see who blinks first.

### **"Slush fund" or "priming the pump"?**

In a separate jobs-related issue, Gov. Nixon wants to use \$200 million in federal stimulus money to set up two business incentive pools. He wants to earmark \$100 million for new or expanding companies and the other \$100 million to invest in small businesses and emerging technology companies.

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*A summary of the most important events in Jefferson City from Prestige Powers.*

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Nixon spokesman Scott Holste said it's a way of "priming the pump" to give "Missouri a competitive advantage to attract and retain high-paying jobs."

But Senate Appropriations Chairman Gary Nodler is skeptical. "Things that look like slush funds are not things I have historically supported."

House Budget Chairman Allen Ictet has so far put only half the money (\$100 million) into HB 20, which is currently under consideration by the House Budget Committee.

Ironically – or perhaps not – the \$100 million figure matches the incentive plan provided by Michigan to Kokam.

### **Biden blows into Jefferson City**

Vice President Joe Biden visited Jefferson City this week to point out that the federal stimulus bill is the reason a planned wind farm in northwest Missouri is moving from the drawing board to reality.

The Lost Creek Wind Farm in DeKalb County will cost \$300 million to build 100 turbines. At peak performance, the wind farm will produce 150 megawatts – about 10% of the output of a nuclear plant.

Biden claimed the project was on hold because the banks wouldn't lend the money. Tom Carnahan with Wind Capital Group – the developer of Lost Creek and other wind farms in the area – agreed. "The stimulus changed everything," Carnahan said.

The press event was held at the ABB plant in Jefferson City, which will produce 100 transformers for the project.

Biden also announced the availability of about \$4 billion to built smarter electricity grids, an important component in the renewable energy arena. "You've got to bring the power to where the people are."

### **Gov to MOSERS: here's your bonus**

Clearly disturbed at the news that the board of the Missouri State Employees Retirement System (MOSERS) had responded to a \$1.8 billion loss by handing out \$300,000 in bonuses, Gov. Nixon appointed two new people to the MOSERS board and ordered them to give the organization "harsh scrutiny."

Nixon appointed two former state representatives – David Steelman and Travis Morrison. The Steelman appointment is especially interesting, since Nixon defeated Steelman in a nasty campaign for attorney general in 1992. Had Steelman prevailed in that race, Steelman might be the governor today.

"The fact that MOSERS employees were awarded bonuses for a year in which the state employee retirement fund lost nearly a quarter of its value is a sure sign that drastic reforms are needed," Nixon said. "If state employees who save lives at our state hospitals or highway patrolmen who face deadly threats are prohibited by law from collecting bonuses there is simply no way that those investing and losing funds at MOSERS should be rewarded with huge bonuses."

## **Legislative activity**

The Senate passed 21 bills this week, including the 13 bills that make up the operating budget. All now go to the Senate for consideration, except for HB 1 (public debt), which goes straight to the governor. The House passed a massive crime bill and 17 others. All the House bills go to the Senate.

Senate actions:

- SB 5 creates the Missouri County Planning Act. <http://www.senate.mo.gov/09info/pdf-bill/perf/SB5.pdf>
- SB 207 creates consumer notification requirements for data security breaches. <http://www.senate.mo.gov/09info/pdf-bill/perf/SB207.pdf>
- SB 306 establishes the Show-Me Health Coverage plan to provide health care coverage through the private insurance market to low-income working individuals. <http://www.senate.mo.gov/09info/pdf-bill/perf/SB306.pdf>
- SB 383 establishes the Joint Interim Committee on the Public School Retirement System of Missouri. <http://www.senate.mo.gov/09info/pdf-bill/perf/SB383.pdf>
- SB 453 modifies provisions relating to education funding. <http://www.senate.mo.gov/09info/pdf-bill/perf/SB453.pdf>
- SB 495 modifies various provisions relating to employment security. <http://www.senate.mo.gov/09info/pdf-bill/perf/SB495.pdf>
- SB 538 increases the personal needs allowance for residents in long-term care facilities. <http://www.senate.mo.gov/09info/pdf-bill/perf/SB538.pdf>
- SB 542 modifies provisions relating to the State Treasurer and expands eligibility for the Treasurer's linked deposit loan program. <http://www.senate.mo.gov/09info/pdf-bill/perf/SB542.pdf>
- HB 1 appropriates money to the Board of Fund Commissioners (public debt). This bill was Truly Agreed and Finally Passed and goes straight to the Governor. <http://www.house.mo.gov/billtracking/bills091/billpdf/perf/HB0001P.PDF>
- HB 2 appropriates money for the expenses State Board of Education and Department of Elementary and Secondary Education. <http://www.house.mo.gov/billtracking/bills091/hlrbillspdf/.pdf>
- HB 3 appropriates money for the expenses, grants, refunds, and distributions of the Department of Higher Education. <http://www.house.mo.gov/billtracking/bills091/hlrbillspdf/.pdf>
- HB 4 appropriates money for the Department of Revenue and Department of Transportation. <http://www.house.mo.gov/billtracking/bills091/hlrbillspdf/0004S.03C.PDF>
- HB 5 appropriates money for the Office of Administration, Department of Transportation, and Department of Public Safety. <http://www.house.mo.gov/billtracking/bills091/hlrbillspdf/0005S.03C.PDF>
- HB 6 appropriates money for the Department of Agriculture, Department of Natural Resources, and Department of Conservation. <http://www.house.mo.gov/billtracking/bills091/hlrbillspdf/0006S.03C.PDF>
- HB 7 appropriates money for the departments of Economic Development, Insurance, Financial Institutions, Professional Registration, Labor and Industrial Relations. <http://www.house.mo.gov/billtracking/bills091/hlrbillspdf/0007S.03C.PDF>
- HB 8 appropriates money for the Department of Public Safety. <http://www.house.mo.gov/billtracking/bills091/hlrbillspdf/0008S.03C.PDF>

- HB 9 appropriates money for the Department of Corrections.  
<http://www.house.mo.gov/billtracking/bills091/hlrbillspdf/0009S.03C.PDF>
- HB 10 appropriates money for the Department of Mental Health, Board of Public Buildings, and Department of Health and Senior Services.  
<http://www.house.mo.gov/billtracking/bills091/hlrbillspdf/0010S.03C.PDF>
- HB 11 appropriates money for the Department of Social Services.  
<http://www.house.mo.gov/billtracking/bills091/hlrbillspdf/0011S.03C.PDF>
- HB 12 appropriates money for statewide elected officials, the Judiciary, Office of the State Public Defender, and General Assembly.  
<http://www.house.mo.gov/billtracking/bills091/hlrbillspdf/0012S.03C.PDF>
- HB 13 appropriates money for real property leases and related services.  
<http://www.house.mo.gov/billtracking/bills091/hlrbillspdf/0013S.02C.PDF>

#### House actions:

- HB 62 changes a slew of laws regarding crime prevention. It:
  - Prohibits law enforcement agencies from fingerprinting a juvenile older than 15 years and six months of age who is alleged to have violated a traffic ordinance unless the juvenile is certified as an adult.
  - Allows a court to order law enforcement agencies or court marshals to fingerprint an individual at the time of any court appearance if the person has not been fingerprinted for an offense in which a fingerprint is required.
  - Requires the Department of Health and Senior Services to implement an education and awareness program regarding the financial exploitation of the elderly.
  - Establishes Hope's Law which changes the laws regarding the crime of endangering the welfare of a child in the first degree.
  - Requires a photograph to be taken of an incarcerated individual prior to release and made available to the victim upon his or her request.
  - Allows offenders to appear before the parole board by means of a video conference, rather than personal appearance, at the discretion of the board.
  - Specifies that any person who sells, vends, gives, or otherwise supplies a person younger than 21 years of age with non-intoxicating beer will be guilty of a class B misdemeanor for a first offense and a class A misdemeanor for a subsequent offense.
  - Specifies that any person younger than 21 years of age who purchases, attempts to purchase, or has in his or her possession any non-intoxicating beer will be guilty of a misdemeanor.
  - Specifies that any person convicted of criminal securities fraud will be fined up to \$1 million, imprisoned for up to 10 years, or both and may be ordered to pay restitution for any loss plus an interest rate of 8% per year from the date of the violation or an additional civil penalty of up to \$5,000 for each violation against an elderly or disabled person.
  - Specifies that the statute of limitations for an arson offense is five years.
  - Specifies that a person who commits the crime of assault of a probation and parole officer in the first degree will be guilty of a class A felony.
  - Expands the crime of assault of a law enforcement officer, emergency personnel, or probation and parole officer in the first, second, and third degree to include a highway worker in a construction or work zone.

- Specifies that a prisoner or offender who commits sexual misconduct in the second degree in the presence of an employee or person assigned to work in any jail, prison, or correctional facility will be guilty of a class D felony.
- Prohibits certain sexual offenders from being physically present or loitering within 500 feet of or approaching, contacting, or communicating with any child younger than 18 years of age in any child care facility building or the real property comprising any child care facility when children younger than 18 years of age are present in the building or on the grounds unless the person is the parent, guardian, or custodian of a child in the building or on the grounds.
- Prohibits certain sexual offenders from knowingly being present in or loitering within 500 feet of any real property comprising any public park with playground equipment or public swimming pool.
- Prohibits certain sexual offenders from serving as an athletic coach, manager, or trainer for any sports team in which a child younger than 17 years of age is a member.
- Specifies that the name of a defendant in a criminal case for crimes of sexual assault, domestic assault, stalking, or forcible rape will not be considered identifying information and will not be redacted from court records.
- Specifies that a person who steals or receives a stolen firearm or an explosive weapon will be guilty of a class C felony.
- Specifies that a person will be guilty of the crime of making a false declaration, a class B misdemeanor, if he or she provides any verbal false statement regarding his or her identity which the person knows to be untrue.
- Specifies that a person will be guilty of the crime of making a false report if the person knowingly files a false report with the Department of Natural Resources stating a regulation or ordinance has been violated.
- Creates the crime of disarming a peace or correctional officer if a person intentionally removes from or deprives the peace or correctional officer of the use of his or her firearm or other deadly weapon while the officer is acting within the scope of his or her official duties.
- Expands the crime of tampering with a judicial proceeding to include influencing the official action of a state prosecuting or circuit attorney.
- Prohibits the use or possession of an alcohol beverage vaporizer.
- Adds pharmacists and pharmacies to the list of medical providers who must verify injuries of crime victims if requested by the Department of Public Safety.
- Specifies that the State Highway Patrol must develop and make available to appropriate medical providers evidentiary collection kits. The kits will be used by the provider to perform forensic examinations for the purpose of gathering evidence of a sexual offense. The Department of Public Safety must make payments to the providers to cover the charges of the forensic examination if the victim or the victim's guardian consents in writing to the examination.
- Specifies that circuit courts do not have to use a reasonable doubt standard when determining if an individual is a sexually violent predator.
- Creates the Reverend Nathaniel Cole Memorial Pursuit Reduction Grant. Any money appropriated or donated to the fund will be used to provide grants, in the amount of a 50% match, to urban police departments which purchase real-time tagging and tracking pursuit management systems.

<http://www.house.mo.gov/billtracking/bills091/billpdf/perf/HB0062P.PDF>

- HB 152 expands the DNA profiling system by requiring any person 17 years of age or older who is arrested for a felony to provide a biological sample for the purpose of DNA profiling analysis. <http://www.house.mo.gov/billtracking/bills091/billpdf/perf/HB0152P.PDF>
- HB 170 establishes the Business Premises Safety Act. <http://www.house.mo.gov/billtracking/bills091/billpdf/perf/HB0170P.PDF>
- HB 217 requires the Department of Elementary and Secondary Education to establish criteria for the admission or rejection of nonresident students from unaccredited districts to adjoining accredited districts. <http://www.house.mo.gov/billtracking/bills091/billpdf/perf/HB0217P.PDF>
- HB 246 changes the laws regarding surface mining and gravel excavation. <http://www.house.mo.gov/billtracking/bills091/billpdf/perf/HB0246P.PDF>
- HB 258 allows the Department of Labor and Industrial Relations to establish rules to implement the federal minimum wage provisions and adds provisions regarding employees who receive tips. <http://www.house.mo.gov/billtracking/bills091/billpdf/perf/HB0258P.PDF>
- HB 354 changes the laws regarding the Missouri Public-Private Partnerships Transportation Act and authorizes the Governor to convey state property for the new Mississippi River Bridge project. <http://www.house.mo.gov/billtracking/bills091/billpdf/perf/HB0354P.PDF>
- HB 361 specifies that an applicant for a driver's license, non-driver's license, or instruction permit cannot have his or her privacy rights violated when obtaining or renewing a driver's license. <http://www.house.mo.gov/billtracking/bills091/billpdf/perf/HB0361P.PDF>
- HB 553 authorizes a tax credit equal to 100% of the state sales tax paid on any motor vehicle assembled and purchased in Missouri. <http://www.house.mo.gov/billtracking/bills091/billpdf/perf/HB0553P.PDF>
- HB 575 changes the laws regarding the Missouri Business Use Incentives for Large-Scale Development Program. <http://www.house.mo.gov/billtracking/bills091/billpdf/perf/HB0575P.PDF>
- HB 668 specifies that deadly force may be used against a person who unlawfully enters, remains after unlawfully entering, or attempts to unlawfully enter private property by the owner or lessee. <http://www.house.mo.gov/billtracking/bills091/billpdf/perf/HB0668P.PDF>
- HB 716 establishes the Brady Alan Cunningham Newborn Screening Act which adds certain lysosomal storage diseases to the list of required newborn screenings. <http://www.house.mo.gov/billtracking/bills091/billpdf/perf/HB0716P.PDF>
- HB 734 extends the authority of the Clean Water Commission to charge fees for certain permits and certifications related to water pollution control from December 31, 2009, to December 31, 2010. <http://www.house.mo.gov/billtracking/bills091/billpdf/perf/HB0734P.PDF>
- HB 795 establishes the Small Business Get Off My Back Act which provides for the recovery of small businesses. For three years, it increases the annual gross volume sales limit for an exemption for the minimum wages from \$500,000 to \$1 million; prohibits any new state regulations or user fee increases except federal mandates; and allows a small business to retain 3% instead of 2% for the timely payment allowance when remitting sales tax to the Department of Revenue. <http://www.house.mo.gov/billtracking/bills091/billpdf/perf/HB0795P.PDF>
- HB 845 adds interference with lawful fishing to the activities for which courts are allowed to award damages. <http://www.house.mo.gov/billtracking/bills091/billpdf/perf/HB0845P.PDF>
- HB 952 establishes the Independence Day Sales Tax Holiday which authorizes a state sales and use tax exemption on certain purchases during the period of July 4 through July 31. <http://www.house.mo.gov/billtracking/bills091/billpdf/perf/HB0952P.PDF>

- HJR 32 proposes a constitutional amendment authorizing the General Assembly to issue bonds to fund higher education building improvements, construction, landscaping, and land purchases. <http://www.house.mo.gov/billtracking/bills091/billpdf/perf/HJR0032P.PDF>
- HJR 36 proposes a constitutional amendment replacing individual and corporate income tax, sales and use tax, and estate tax with a sales tax on retail sales of new tangible property and taxable services (the “Fair Tax”). “It will catch the cheaters and the illegals because they’ll be paying taxes, where they aren’t now,” declared Rep. Ed Emery (R-Lamar). <http://www.house.mo.gov/billtracking/bills091/billpdf/perf/HJR0036P.PDF>

### **Quote of the Week**

During debate in the House Budget Committee on an item in HB 20, which would spend \$6 million to scan the eyes of welfare recipients to prove their identities, Rep. Jason Kander (D-Kansas City) said: “The last time I saw this stuff I was in Afghanistan.”

Keep your eyes peeled and have a great week!”