

Feb. 8, 2008

ELECTION YEAR POLITICS WILL DOMINATE THE 2008 SESSION

The Second Regular Session of the 94th Missouri General Assembly convened on Jan. 9 in Jefferson City. MAC is monitoring approximately one-third of the over 1,000 bills that have been filed to date due to their potential impact on county government. We will update you on many of these as the session progresses. It will be especially important to keep in close contact with your legislators, many of whom need your input on county issues. The topics in this bulletin are those that we are following more closely at the present time. Please contact the MAC office if you have questions regarding any pending legislation. The legislative session ends on May 16.

Appropriations – Gov. Matt Blunt's proposed FY 2009 state budget included the following items of particular interest to county officials. Last session, the General Assembly approved a state-paid prisoner per diem rate increase of \$1.25, bringing the total per diem rate to \$21.25. Despite the efforts of many county officials over the last year, the governor did not recommend a per diem rate increase for FY 2009. However, we continue to seek an additional \$1.25 increase and will be working with the Appropriations Committees in both the House and Senate as the budget is crafted. House Budget Chair Alan Ictet has committed to making this modest request a reality. Please ask your legislators to support this effort! Reimbursements to single-county circuits for juvenile court employees' salaries remain at the original level, which is the same as the '08 appropriation. The state also reimburses a small portion of the costs of maintaining property assessments. The governor's proposed budget includes a \$.03 per parcel increase for assessment maintenance costs. Likewise, state reimbursement for juvenile detention is proposed to be \$14 per day.

Village Law Repeal – Last year's omnibus local government bill (SB 22) contained last-minute language which allowed citizens to bypass counties' planning and zoning procedures to form a village. The Senate Economic Development, Tourism & Local Government Committee, led by Sen. Griesheimer, acted quickly to submit legislation to fix the problem. **SCS/SB 765 (Goodman)** repeals the provisions in Sec. 72.080, *RSMo*, which allow villages to incorporate in an alternative way rather than requiring a petition by two-thirds of the taxable inhabitants that is approved by the county commission, as required by Sec. 80.020, *RSMo*. The Senate Committee Substitute was voted "Do Pass" by the committee. Please contact your legislators and encourage them to support its swift passage.

House legislation proposed to fix these provisions include **HB 1336 (Wood)**, which removes villages from a certain incorporation procedure for cities and towns and increases the required number of signatures on a petition to incorporate, and **HB 1337 (Wood)**, which authorizes a county governing body to disincorporate a village incorporated after Aug. 28, 2007, under certain specified circumstances. **HB 1607 (Lampe)** proposes the same fixes as the above House bills. Hearings are not currently scheduled for these bills.

Property Tax Reform – Property tax reform is a high priority for Gov. Blunt, Sen. Gibbons and Rep. Jetton. At this point, **SB 711 (Gibbons)** seems to be the vehicle that will modify provisions regarding property taxation, including mandating tax rate roll-backs by all political subdivisions in reassessment years. It would also change the manner in which voter-approved tax increases are applied to assessed values and the timeline for assessment and appeal of property taxes. A provision has been added which extends the current law, allowing counties to deduct either 1/8 of 1 percent or 1/4 of 1 percent of all ad valorem property tax collections and deposit that amount into the county's assessment fund until Dec. 31, 2015. It also states that if the State Tax Commission withholds state assessment reimbursement funds from a county for three consecutive quarters, the extra 1/8 of 1 percent or 1/4 of 1 percent of collection revenues in the county assessment fund will be forfeited and returned by the county to the political subdivisions within that county. Under the bill, a number of administrative duties will have to be preformed by different county officeholders to create a "projected tax liability statement" that will ultimately be delivered to taxpayers along with their impact statement. The projected tax liability statement will represent what each taxing jurisdiction estimates as its eventual tax rate calculated against new assessed values. On the policy side, some legislators are viewing the projected liability statement as a transparency issue. At this point we know that the assessors of this state will have to finish their assessment books much earlier than is currently required by law. The bill also requires the clerk to be the information-forwarding agent within the courthouse to compile all of the necessary

information from the assessor and the taxing jurisdictions. The bill also requires the county collector to produce an estimated tax liability document that eventually will be sent to taxpayers. Although the next reassessment cycle in 2009 is the projected date of implementation for all 1st-class and charter counties in this state, the legislation will be implemented state-wide by all counties during the 2011 reassessment cycle. The negotiations have been ongoing between Sen. Gibbons and his staff and all affected associations, including those representing the assessors, clerks and collectors. This bill has been heard by the Senate Ways and Means Committee.

There are over 40 bills that alter current property tax procedures. **HB 1321 (Sutherland)** increases the property tax relief for the senior citizens' and disabled persons' program known as the "circuit breaker" and extends the date from the deposit of a percentage of property tax collections into county assessment funds. Rep. Sutherland will most likely be the handler of a companion bill to SB 711 when most of the kinks are worked out in the Senate. **HB 1377 (Portwood)** phases out the personal property tax on motor vehicles. Both bills have been referred to the House Ways & Means Committee; however no hearings have been scheduled for these bills at this time.

Deputy Sheriffs' Salaries – **SB 935 (Griesheimer)** would establish the "Deputy Sheriff Salary Supplementation Fund." Through this fund, the sheriff shall receive an additional \$10 fee for service of any civil summons, writ, subpoena or other court order. The money received by the sheriff shall be collected by the county treasurer and made payable to the state treasurer. The money paid to the state treasurer shall be deposited into the newly created "Deputy Sheriff Salary Supplementation Fund." The money would be used only to supplement the salaries of county deputy sheriffs. The Missouri Sheriff Methamphetamine Relief Taskforce (MoSMART), housed within the Department of Public Safety, shall administer the fund. The bill was voted "Do Pass" on Jan. 30 by the Senate Economic Development, Tourism & Local Government Committee.

Enhanced 9-1-1 – Last session's Interim Committee to Evaluate the 9-1-1 System, led by Rep. Mark Bruns, worked to research and address Missouri's need for an enhanced 9-1-1 system. Committee member Rep. Therese Sander has filed **HB 1712**, which changes the laws regarding emergency services to do the following: (1) require all counties to establish and maintain 9-1-1 addressing where enhanced 9-1-1 service has been approved, (2) authorize an emergency services communications board to be appointed by a governing body adopting an emergency telephone tax, and (3) require multi-station and private exchange multi-line telephone systems purchased or upgraded after Jan. 1, 2009, to provide a call-back number, as well as an emergency response location. It has been referred to the Crime Prevention and Public Safety Committee.

Sales Tax Holiday – There are currently two bills that propose tax holidays. **SB 964 (Smith)** establishes the "Show Me Green Sales Tax Holiday." For 2009 and every year thereafter, during the 7-day period beginning on April 19 and ending April 25, all sales of Energy Star certified appliances will be exempt from state and local sales tax. It also requires the Department of Natural Resources to provide financial assistance, not to exceed \$100,000 for small businesses or \$300,000 for municipalities, for the purpose of conducting energy audits.

In addition to the sales tax holiday, **HB 1686 (Nolte)** authorizes a motor fuel tax holiday for gasoline and diesel fuel used in a personal vehicle for a 4-day period during the Memorial Day and Labor Day holiday weekends. Both bills have been referred to the Senate Ways & Means Committee; however, neither bill has been scheduled for hearing at this time. MAC will continue to monitor these bills and their potential impact to county revenues.

Missouri County Planning Act – **SB 729 (Griesheimer)** and **HB 1832 (Cooper)** establish the Missouri County Planning Act, which would allow counties to create county planning commissions. This act allows any county to create, adopt, amend, and carry out a county plan. The commission, formed by county commission appointment or petition vote and approval, would be able to recommend subdivision regulations, as well as adopt street plans for unincorporated areas. Nothing in the act affects the existence or validity of a county ordinance or order adopted prior to Aug. 28, 2008. No hearings are scheduled for either bill at this time.

Federal Storm Water Requirements – **SB 740 (Nodler)** – Under current law, counties that are subject to certain Environmental Protection Agency storm water regulations have the authority to: 1) adopt local regulations deemed reasonably necessary to comply with the federal regulations; 2) allow a storm water control utility to administer its local storm water regulations, including the imposition of a user fee; and 3) establish a storm water control utility tax, if approved by voters. This act changes the local entity to which this section applies from "county" to "political subdivision" to meet certain federal storm water requirements. The bill was heard by the Senate Economic Development, Tourism & Local Government Committee on Jan. 23.

County Classification Changes – SB 820 (Rupp) allows a county, after meeting the required assessed valuation, to become a second-class county upon a vote of the governing body to change classification. Currently, a county can only change classification by a vote of the governing body if it is becoming a first-class county; otherwise, the county must be at the required assessed valuation for 5 years before changing classification. The effective date of the change in classification shall be at the beginning of the county fiscal year following the election by the governing body. This bill has been voted “Do Pass” by the Senate Economic Development, Tourism & Local Government Committee.

Liability for Tort Claims – SB 1024 (Scott) modifies provisions relating to liability for tort claims against the state or public entities arising from the operation of a motor vehicle or from causing a dangerous condition of property. Currently the limits of liability for such claims are \$2 million dollars for all claims arising from a single occurrence, and \$300,000 for any one person in a single accident or occurrence. If these two types of claims are brought against the state or state entities and are also brought against an officer or employee thereof, the maximum allowable recovery shall be reduced by any amount paid toward the claim by the state, its entities, its officers or employees, or anyone acting on their behalf. Also, current law provides that state entities waive their immunity for liability for claims arising from the operation of a motor vehicle, up to the dollar amount provided in current law. This act provides that if an operator of a motor vehicle owned or operated on behalf of the state or its entities is found to be immune from liability for any reason, the state or its public entities shall have no liability. This bill has been referred to the Senate Judiciary and Civil & Criminal Jurisprudence Committee.

Local Regulation Amendment – SJR 42 (Griesheimer) – Upon voter approval, this constitutional amendment would allow special laws to be adopted by the General Assembly when regulating the affairs of counties, cities, towns, or villages, or other political subdivisions within such local governments. Specific notice of the special law to the affected locality shall not be required. This bill has been referred to the Senate Economic Development, Tourism & Local Government Committee.

Military Tax Exemptions – HJR 59 (Bruns) would exempt the personal property of active-duty military personnel from taxation. This bill is similar to last year’s bill which was supported as one of MAC’s priorities. It was heard on Jan. 31 by the House Ways & Means Committee and is being considered for a possible executive session.

County Officers’ Compensation – HB 1304 (Cooper) requires compensation to county officers from municipalities to be paid directly to the county. A hearing was conducted on Feb. 6 by the House Local Government Committee.

Juvenile Court Jurisdiction – HCS/HB 1550 (Stevenson) expands the jurisdiction of juvenile courts to include individuals who are 17 years of age for the sole purpose of status offenses by revising the definition of “child” and “adult.” “Status offense” is defined as any offense described in Sec. 211.031.1(2), *RSMo*. The House Committee Substitute was voted “Do Pass” by the House Judiciary Committee.

Illegal Immigration Relief – HB 1736 (Schneider) establishes the Missouri Illegal Immigration Relief Act to assist the federal government in enforcing federal immigration laws. Under the act, key provisions state the following: (1) agencies and political subdivisions of the state are prohibited from providing any state or local benefit or federal public benefit to a person who is unlawfully present in the United States, except for certain state or local benefits or federal public benefits exempted under federal law and kindergarten through twelfth grade education; (2) by Jan. 1, 2009, every employer in the state must register with and utilize the federal E-Verify Program operated by the United States Department of Homeland Security to verify the federal employment authorization of all new employees; (3) no government entity, official or political subdivision can prohibit or restrict any other government entity or official from communicating or cooperating with federal officials on the immigration status of any person in this state; and (4) all political subdivisions of the state are authorized to enact laws prohibiting or restricting employment of unauthorized aliens and the harboring of illegal aliens, including the leasing of rental accommodations. This bill has been referred to the House Special Committee on Immigration, but no hearing has been scheduled at this time.

Extension of Family and Medical Leave Act for Service Members – On Jan. 28, President Bush signed the National Defense Authorization Act (HR 4986), which contains a provision extending the Family and Medical Leave Act to the families of service members. The FMLA provisions require employers provide 12 weeks of leave because of any qualifying exigency (to be defined through regulation by the Department of Labor) arising out of the fact that the spouse, son, daughter or parent of the employee is on active duty or has been notified of an impending call or order to active duty in the Armed Forces in support of a contingency operation. The Act also requires employers provide FMLA eligible employees with up to 26 weeks of leave during a single 12-month period so that they may care for a spouse, son, daughter, parent, or next of kin that suffered injury or illness in the line of duty.

2008 NACo Annual Conference in Kansas City – Plans are well under way for the 2008 NACo Annual Conference in Kansas City, with on-line registration having opened on Feb. 4! Visit the NACo website at www.naco.org for details. This is a great opportunity to attend a national convention in your own backyard and we encourage you to attend! Your county may already benefit from NACo's programs and services. Why not help your neighboring counties benefit too? You can earn a free conference registration if you sponsor a new member county! Simply contact the NACo membership department at 202-942-4242. The new member county will also receive a free conference registration! More information will follow in the coming months about opportunities and events for Missouri's county officials. Hope to see you there!

MAC Member Service Fees – Member service fee invoices were sent out in early January. The association strives for, and has attained, 100 percent membership for each of the last 9 years. We hope that all 114 Missouri counties will once again choose to belong to MAC in 2008.

Mark your calendars for the upcoming dates!

NACo Legislative Conference	MAC Legislative Conference	NACo Annual Conference
March 1-5	April 14	July 11-15
Hilton Washington	Capitol Plaza Hotel	Kansas City, MO
Washington, DC	Jefferson City, MO	