

Legislative Bulletin



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Session Update

With three weeks remaining, the General Assembly's priority bills are being finalized. During floor work this last week, the chambers began to bring up opposite chambers bills. This is occurring later in session than normal, but is a sign each chamber's leadership is starting to work together to get certain items across the line as time runs out. The Senate finalized work on a House ethics bill, sending the "revolving door" ban bill to Gov. Nixon. The House Emerging Issues committee had scheduled a vote on SJR 39 for Wednesday but pushed it back to allow members more time to review information presented in public testimony last week. On the floor the House defeated a bill to allow medical marijuana to be used in the state. The bill was perfected with 91 yes votes, but was defeated on the 3rd read motion by a vote of 66-87. On Thursday, April 21, 2016 both chambers spent a good amount of time on the floor approving the budget, sending a \$27 billion budget to Gov. Nixon for his approval.

Fuel Tax Update

On April 26, the House Transportation Committee, chaired by Rep Glen Kolkmeier (R-Odessa) heard SS/SB 623 sponsored by Sen Doug Libla (R-Poplar Bluff). SS/SB 623 would increase the fuel tax by 5.9 cents per gallon for both gasoline and diesel on January 1, 2017, IF approved by the voters at the November 2016 election.

Recall that this substitute was the substitute offered by Sen Libla on the floor of the Senate during debate for perfection of the bill to provide a 1.5 cent increase on gas and a 3.5 cent increase on diesel, without a public vote. Based on the very real threat of a filibuster in the Senate and difficulty of passage in the House, Sen Libla offered the Substitute with a flat 5.9 cent increase across the board. While the SS helped with passage in the Senate, the challenge in the House is still monumental.

In addition to the challenges in the House re: pushing a tax increase, the SS also lacks a key item that would have been beneficial to include or at least consider — it would be beneficial to tax all motor fuels, including but not limited to electric, hydrogen, renewable and natural gas fuels at the same rate as gas and diesel. Other items that could have been debated include a clean 6 cent increase as opposed to a 5.9 cent increase, and the perennial debate over a phase in of the 6 cent increase (2+2+2) over a 3 year period as a more palatable option for the public to consider.

Having said all of that, SS/SB 623 is set for executive session next week. For coverage of the April 26 hearing, click on the stories below.

St Louis Post Dispatch

http://www.stltoday.com/news/local/govt-and-politics/truckers-other-groups-back-gas-tax-hike/article_b5768851-67b2-5250-93a3-9936efca1102.html?utm_medium=social&utm_source=email&utm_campaign=user-share

The Missouri Times

<http://themissouritimes.com/28960/gas-tax-gets-its-hearing-in-the-house/>

St Louis Public Radio

<http://news.stlpublicradio.org/post/senate-approved-fuel-tax-increase-gets-hearing-missouri-house-committee>

Employee Reclassification

On April 26, the Senate Small Business, Insurance and Industry Committee, chaired by Sen Mike Parson (R-Bolivar) heard HCS/HB 1756 sponsored by Rep Kurt Bahr (R-O'Fallon). HCS/HB 1756 is a prime example of the need to keep focused on what a bill actually says as opposed to what the title of the bill says it does. Originally, this bill started as the annual bill filed by Rep Bahr to "clarify" the statutes relating to misclassification of employees and independent contractors. In Missouri, this issue is of significant importance to trucking as many carriers engage in the use of owner/operators aka independent contractors for their operations. Recall we have been watching and discussing this issue intently for decades, both through the court system and in particular the legislature after the state auditor's report in 2009 highlighted the lack of progress by the MO Dept of Labor at successful "reclassifications."

With that background, the HCS language before the Senate Committee would place every MO employer at a potential loss due to the carve out of a specific and special group of employers. The estimated loss to MO businesses was along the magnitude of just short of \$1 billion annually. MoTA and Mo Chamber testified in opposition to the bill.

Continued on page 2...

Truck Platooning

The Senate rolled the truck platooning language into a floor substitute on a bill relating to transportation issues broadly. As of this writing, the bill is awaiting a hearing in the Governmental Accountability Committee (expected tomorrow morning Thursday, April 28). Once approved by the GAFO Committee and the full Senate, the bill will be able to be accepted by the House or sent to conference. The truck platooning language is not considered controversial, but recent opposition has sprung up from a lobbyist representing labor.

Uber

MoTA has been tracking the Uber bills all session, as this issue is one that could have significant impacts to most MoTA members in the future. Currently, Uber (and other "Transportation Network Companies") are currently focused in the taxicab type arena. Very quickly in many locales, Uber et al have begun delivery of food (Uber Eats) and other "personal convenience" types of deliveries such as dry cleaning. The possibilities are literally endless. Amazon is also involved in these discussions.

The impact on the transportation and logistics industry is transformational. Uber, et al, have been working their way through the various state legislatures attempting to carve out and exempt themselves from most regulatory requirements. We are working to protect the "for hire" domain from these exemptions, to varying degrees of success.

To date, we are tracking/working at least 4 bills on the Uber/transportation network company issue. At this time during session they have made decent progress, but are facing significant hurdles for final passage. The sheer number of lobbyists working for this legislation keeps the legislation "in play" despite the hurdles.

To be clear, MoTA is not "anti-Uber, et al" but we are looking to make sure that if and when they want to compete in the logistics sector, they are competing under the same rules as the rest of the sector.

Budget Sent to Gov. Nixon

[\\$27 billion worth of spending](#) was approved by the General Assembly Thursday, April 21. The budget was passed earlier than required by law, forcing Gov. Nixon to take action on the bills before the end of session. Gov. Nixon now has 15 days to make a decision to veto or sign the bills. The legislature used a similar strategy last year. Last year Gov. Nixon signed all the bills, but announced budgetary withholds after the General Assembly adjourned. "Here in Missouri fiscal discipline is a value, so I thank members of the General Assembly for passing the budget on time and answering my call to make smart, fiscally responsible investments in mental health services and college affordability," Nixon said. A major point of contention during budget debate was K-12 education funding. "I am disappointed that legislators provided less funding for our K-12 classrooms than I recommended," Nixon said. He had proposed an \$85 million increase, but the legislature allocated \$70 million. Another area of controversy is cuts to Medicaid funding. Democrats complain some of the cuts are politically motivated because this is an election year.

Highlights:

- 4% increase for performance funding for all public universities in the state
- 2% pay raise for state workers
- \$70 million total to K-12 education funding, of which \$42 million is general revenue increase
- A prohibition on state money being spent on renovations to the Scottrade Center in St. Louis
- \$20 million for a cost share program for MODOT and municipalities to work on transportation projects together

HB 1979 – Revolving Door Ban

In the evening on April 20, the Senate took the final vote to send HB 1979 to the governor for his approval. The bill imposes a 6 month "cooling off" period after a legislator's term expires before they can be hired as lobbyist. The bill faced some criticism on the Senate floor, "I hope this thing gets challenged," Sen. David Schatz said. "I do not believe that this is good policy at all." Sen. Jason Holsman said, "This cooling-off period is not going to change how Jefferson City operates. This is window dressing." Others argued the measure is not strong enough and should be even stricter. "It doesn't go as far as I would like it to go, but it is progress," Sen. Scott Sifton said. If the bill is signed into law, Missouri will join 33 other states that have some sort of waiting period for legislators being hired as lobbyists. The bill passed 31-1 in the Senate with the lone vote against coming from Sen. Ed Emery.