

## *2022 Missouri legislative session concludes*

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*The 2022 Missouri legislative session has concluded. It was a frustrating session due mainly to the senate's inability to operate effectively. The state abounded with federal funds and state tax receipts have been flowing in –it's the best budget position in years. Most importantly, no significant legislation was passed that would harm the regional construction industry. In fact, an important design-build/CMR bill did pass that allows for broader use of those delivery methods on state and University of Missouri projects.*

*A lot of time was used at the beginning of session on debating the redistricting maps. This took away time for normal legislative business. During the beginning of session, the conservative caucus also slowed down all work in the senate with filibusters and amendments. They did this to push a more conservative agenda in the legislature this year. The House kept working as usual, but almost all bills became stalled in the Senate. That logjam frustrated everyone. Consequently, not much legislation was passed.*

*Only 16 bills made it out of the Senate to the governor and 24 in the House (minus appropriation bills). Over 2,300 bills were filed.*

*As usual, bills that were consequential to the construction industry were filed. Some saw a little action, while others never made it out of committee. Those bills included subjects like prevailing wage, the A+ Program, statewide contractor certifications and licensing (mechanical), Right to Work, low-income housing tax credits, and workforce development.*

*Below are summaries of the top issues lawmakers debated this session and the significant issues that faced the regional construction industry.*

### **The top issues in the legislature this session**

#### **PASSED**

**Congressional map:** Passing a new Congressional map was critically important this session. This happens once every ten years. Rep. Dan Shaul's [HB 2117](#) was the vehicle used for the redistricting discussion. After much debate, filibustering, and drama, the Senate finally passed a 6-2 map (6 Republicans and 2 Democrats, just like it has been). The issue would have been sent to the Western District Federal Court of Appeals to find a resolution. That did not occur. The map then went to the House for another vote and on to the governor for his signature.

#### **DID NOT PASS**

**COVID-19 vaccination mandates:** Right from the beginning of session, several representatives and senators were determined to file bills to prohibit employers from

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imposing vaccination mandates on their employees. Nearly 40 bills were filed and none passed. The leading bills were Representative Bill Hardwick's (R-Waynesville) [HB 1686](#) and [HB 2358](#) filed by Representative David Evans (R-West Plains). Both bills passed the House and had hearings in the Senate. Basically, the myriad bills that were filed fell under two camps. One set of bills stated that employers need to make "reasonable accommodations" from a COVID-19 vaccination mandate if an employee requests one made on sincerely held beliefs. The other set of bills were just bans on vaccination mandates. Senators also tried unsuccessfully to add COVID-19 language to any business-related bills that came up for debate.

### **DID NOT PASS**

**Sports wagering:** Ever since the U.S. Supreme Court ruling in 2018 that struck down a federal prohibition on sports betting, around 30 states have adopted legislation to allow some form of wagering on sports events. Missouri seemed to get closer to approving betting with the passage of [House Committee Substitute for House bills 2502 and 2556](#), but they ultimately failed. These proposals would have implemented an 8% tax on sports wagers. It is estimated the tax would bring around \$10 million annually to the state. This legislation has been filed for the last several years, but has never moved along because different stakeholders (like the casinos) could not agree. This year all the parties came together with an agreement, so the legislation looked promising for final passage. Again, it failed to pass.

### **DID NOT PASS**

**Legal reform:** Business groups like the Missouri Chamber (whom we work with) have pushed over the last several years to improve the state's legal climate. Success has been had over the last few sessions. This year, [HB 2206](#) filed by Representative Curtis Trent (R-Springfield) aimed to alter the outdated and litigation-friendly statute of limitations. Currently, actions for personal injury or relating to uninsured motorist coverage or underinsured motorist coverage must be brought within five years from the date the injury occurred. This bill reduced the time frame to two years from when the injury occurred. This bill also applied to asbestos tort actions filed on or after Aug. 28, 2022, and to asbestos actions filed before Aug. 28, 2022. Basically, it disallowed double-dipping for asbestos exposure suits. This bill failed passage by the House. A similar bill was filed in the Senate by Senator Dan Hegeman, [SB 631](#), and was approved by a committee in January. It also did not make it out of its house of origin.

### **PASSED**

**FIFA:** Many civic and business groups and private businesses in the Kansas City area and across the state met to help Kansas City's application to be a host city for the 2026 FIFA World Cup. The World Cup (soccer) is the largest and most prestigious single sporting event in the world. The Super Bowl pales in comparison to the FIFA World Cup. In 2026,

the tournament will be jointly hosted by 16 cities in the U.S., Canada, and Mexico. 48 teams will be featured. The projected incremental economic activity per host city/region is approximated at \$620 million. Over 3.5 billion people watched the 2018 World Cup. It's exciting to know now that Kansas City has been selected as a host city. One of the requirements of FIFA is that no taxes, charges, or fees be added to the cost of a ticket to any matches played in KC. To that end, staff worked with the above-mentioned groups to help secure passage of state legislation to do just that. Senator John Rizzo (D-Kansas City) filed [SB 652](#). A companion bill was filed in the House, [HB 2544](#), by Rep. Jonathan Patterson. The bill language stated, "Beginning June 1, 2026, and ending July 31, 2026, this act authorizes a sales tax exemption for the sale of tickets to matches of the 2026 FIFA World Cup soccer tournament held in Jackson County." Senator Rizzo's bill, SB 652, passed the last week of the session.

### **DID NOT PASS**

**Regulatory sandbox:** Senator Denny Hoskins (R-Warrensburg) filed [SB 1068](#) which established the "Regulatory Sandbox Act," which created the Regulatory Relief Office within the Department of Economic Development. The Regulatory Relief Office would administer the provisions of the act with the purpose of identifying state laws or regulations that could potentially be waived or suspended for participating businesses during a two-year period in which the participating business demonstrates an innovative product offering to consumers. Similar legislation has been used in Utah and Arizona to help startups by waiving certain regulations initially. This bill had little action in the Senate and died.

### **PASSED**

**Education reform:** Over recent legislative sessions, GOP legislators have worked to secure fair funding for charter schools and allow families to choose what public schools are best for their children. This session two bills were filed. [HB 1552](#), filed by Rep. Doug Richey (R-Excelsior Springs), required school districts to pay for each pupil attending a charter school in that district based on the formula established in the bill which includes all state aid and local aid received by the school district divided by the total weighted average daily attendance of the school district and all charter schools within the school district. The bill defined "local aid" to include all local and county revenue received by the school district and charter schools within the school district, with specific examples and exclusions specified in the bill. In addition, this bill allowed, beginning after July 1, 2023, any person or a beneficiary of a trust that owns residential or agricultural real property in any school district, and pays a school tax of at least \$3,000 in that district and owned property for at least three years, to send up to four children to that district without a tuition payment, upon notification to the district at least 30 days prior to enrollment, and the district shall count that child for the districts average daily attendance. This bill passed and was sent to the governor for his signature.

## **DID NOT PASS**

**HB 1814**, sponsored by Rep. Brad Pollitt (R-Sedalia), created a public school open enrollment program with the design to improve quality instruction and increase parental involvement, provide access to programs and classes, and offer opportunity to align parental curriculum options to personal beliefs. The bill specified that any student beginning kindergarten or already enrolled in a public school may attend a public school in any nonresident district. Districts must declare participation in the Open Enrollment Program by October 1. Participating districts are not required to add teachers, staff, or classrooms to accommodate transfer applicants. The bill included a procedure for districts to take when a transferring student had special education needs. This proposal passed the House and had action in the Senate, but ultimately failed.

## **Construction industry bills of interest**

### **DID NOT PASS**

**Low-income housing tax credits:** This tax credit program has been under fire for a few years, but is now coming back alive. Former Governor Eric Greitens closed the program down for three years by zeroing out the state's contribution. Current Governor Mike Parson revived the program in the fall of 2020 as the number grew of people on the waitlist for affordable housing. Senator Dan Hegeman (R- Cosby) has filed a bill the last three years attempting to place a cap on the amount of credits authorized each year. This session he filed **SB 860**. The proposal stated the cap shall be 70% of the amount of federal low-income housing tax credits allocated to the state. This act also reduced the limit on tax credits authorized for projects financed through tax-exempt bonds from \$6 million to \$4 million. To the extent that such limit is not reached in a fiscal year, the amount not authorized may, for such fiscal year only, be added to the amount of tax credits that may be authorized for projects not financed through tax-exempt bond issuance. SB 860 was pre-filed in December and assigned to the Senate Economic Development Committee. It saw no attention after that.

### **DID NOT PASS**

**Historic preservation tax credits:** Over the last several years, The Builders' Association has worked with a statewide coalition to save and bolster this tax credit program, which has played a significant role in sustained economic development across the state (urban and rural). Two bills were filed on behalf of the coalition to strengthen the program by broadening the scope of the law and altering the scorecard the Department of Economic Development uses to consider projects. **HB 2776** and **HB 2815** were both filed by Rep. Louis Riggs (R-Hannibal). Both bills were filed later in the session and were not assigned to a committee. This legislation will need to be pursued again next year.

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## **DID NOT PASS**

**Statewide mechanical contractor licensing:** The Missouri Statewide Mechanical Contractor Licensing Act, [SB 867](#), was filed this year by Senator Andrew Koenig (R- St. Louis). Under this act, the statewide mechanical contractor license for mechanical contractors shall be regulated by the Division of Professional Registration, within the Department of Commerce and Insurance. This act created the Office of Mechanical Contractors within the Division to carry out the provisions of this act. Applicants for a statewide mechanical contractor license must meet certain criteria set forth in the act. A corporation, firm, institution, organization, company, or representative seeking to engage in mechanical contracting on a residential or commercial jobsite is required to employ at least one license holder. For residential and commercial jobsites, a statewide licensed mechanical contractor may represent only one entity at a time. A mechanical contractor shall have one license holder responsible for offering field employees eight contact hours of industry training each year, and mechanical contractors shall be responsible for providing proof of such training to the Division upon request. In the event of a loss of a license holder, a mechanical contractor shall remain in good standing with the Division for six months after notifying the Division of such change. Within the six-month period, a new license holder shall be registered with the Division. If no license holder is registered within such six-month period, the Division shall declare the mechanical contractor inactive. This act established the Missouri Mechanical Contractor Licensing Fund in the state treasury, which would be expended for the administration of this act. Any individual who knowingly violates the provisions of this act is guilty of a Class B misdemeanor. This bill had a hearing and was voted do pass out of the Senate General Laws Committee. It nearly passed out of the full Senate, but died at the end of session.

## **DID NOT PASS**

A companion bill in the House, [HB 2050](#) filed by Rep. Nick Schroer (R- O'Fallon), had similar language. It stated the Statewide Mechanical License for mechanical contractors would be regulated by the Division of Professional Registration within the Department of Commerce and Insurance. The bill created the "Office of Mechanical Contractors" within the Division, to carry out the provisions of the bill. Applicants for a statewide mechanical license must be 21 years old, provide proof of liability insurance in the amount of \$1 million, pass certain standardized mechanical assessment tests, and have completed 7,500 hours of field experience or at least a Bachelor's degree with a minimum of three years of experience supervising a field employee. A company that wants to engage in mechanical contracting is required to employ at least one statewide license-holder, and if the company loses their license-holder, they have six months to register a new license-holder before being declared inactive. A Statewide Licensed Mechanical Contractor may represent only one company at a time. A company must have at least one license-holder give eight hours of training each year. Political subdivisions may establish their own local mechanical contractor's license,

but shall recognize a statewide license in lieu of a local license. A political subdivision cannot require the employees of a statewide licensed mechanical contractor or its subcontractors or manufacturers' to obtain journeymen licenses, apprenticeship licenses, or occupational licenses that require passing any examination or any special requirements to assess mechanical proficiency. The Statewide Mechanical Contractor License can be used to perform work in any political subdivision. If a political subdivision does not recognize a statewide license, a Statewide Mechanical Contractor Licensee may file a complaint with the Division, which must investigate such complaint. If the Division finds that the political subdivision failed to recognize a statewide license, the Division shall notify the political subdivision of such violation and grant them 30 days to comply. If after 30 days the political subdivision does not comply, the Division shall notify the Director of the Department of Revenue, who shall withhold any moneys the political subdivision would otherwise be entitled to from local sales tax until the political subdivision is in compliance. This bill established the "Missouri Mechanical Contractor Licensing Fund" in the State Treasury, which shall be expended for the administration of the statewide mechanical contractor licensure. Statewide mechanical contractor licenses shall expire after 24 months. Failure to renew the license will result in the license being declared inactive and the licensee cannot practice until the license is renewed. A licensee must also have at last 16 hours of training to renew the license. This bill sat on the House informal calendar ready for full House debate and passage but died there.

## **PASSED**

**CM at risk, CM agency, and design-build:** In an effort to add additional construction tools to the toolbox, so to speak, so more projects can conceivably be accomplished and to bring public construction delivery methods up to date for public bodies, two bills were filed this session to accomplish that. [SB 758](#), filed by Senator Lincoln Hough (R- Springfield), among other changes, stated all contracts for projects, the cost of which exceeds \$25,000, entered into by any city containing 500,000 inhabitants or more shall be let to the lowest, responsive, responsible bidder or bidders after publication of an advertisement for a period of 10 days or more in a newspaper in the county where the work is located, in 2 daily newspapers in the state which do not have less than 50,000 daily circulation, and on the website of the city or through an electronic procurement system. All contracts for projects entered into by an officer or agency of the state in excess of \$100,000 shall be let to the lowest, responsive, responsible bidder or bidders based on pre-established criteria after publication of an advertisement for a period of ten days or more in a newspaper in the county where the work is located, in one daily newspaper in the state which does not have less than 50,000 daily circulation, and on the website of the officer or agency or through an electronic procurement system. The act permitted the office of administration to utilize the construction manager-at-risk delivery method and to use the design-build method for non-civil projects in excess of seven million dollars and also have the authority to use such

design-build delivery method for non-civil works projects valued at less than one million dollars. The act transfers provisions governing prompt payment of public works contracts and the rights of a contractor to recover costs or damages, or obtain an equitable adjustment, for delays in performing a public works contract from chapter 34 to chapter 8. The act expressly included public institutions of higher education in the term "political subdivision" for purposes of current law relating to design-build projects and construction manager-at-risk projects. This bill passed the legislature and was sent to the governor. It was the biggest win for the construction industry in the legislature this session.

### **DID NOT PASS**

There was a similar bill filed in the House. **HB 1996**, filed by Rep. Barry Hovis (R-Whitewater), stated that currently design-build projects include non-civil works projects, such as buildings, site improvements, and other structures, habitable or not, commonly designed by architects in excess of \$7 million. This bill just removed the \$7 million limitation. This bill died as all the attention and effort was given to SB 758.

**Various workforce development proposals:** Workforce development continues to be a focus in Missouri in the governor's office and in the General Assembly. It also continues to be a prime focus for The Builders' Association.

### **PASSED**

#### **SB 672: Fast Track Workforce Incentive Grant**

Sponsored by Senator Lincoln Hough (R-Springfield), this bill (among other items) modified provisions relating to the Fast Track Workforce Incentive Grant program. Under the act, an eligible student would include an individual who is enrolled with an eligible training provider, as such term is defined in the act. Occupations relating to eligible apprenticeships are added to the programs of study that the Coordinating Board for Higher Education shall annually review. Grants shall be awarded in an amount equal to the related educational costs for an eligible apprentice after all other governmental assistance provided for the apprenticeship has been applied. This act repealed requirements that the eligible student complete counseling and execute a promissory note in order to be eligible for a grant. Current law allows a Fast Track grant to be converted into a loan if a student fails to meet certain conditions. This act repealed such ability. This act also stated a sunset on August 28, 2029, unless reauthorized by the General Assembly. This bill received a lot of attention statewide and ultimately passed.

### **DID NOT PASS**

#### **HB 2325: Workforce Diploma Program and Extended Learning Opportunities Act**

Sponsored by Rep. Jonathan Patterson (R-Lee's Summit), this bill established the "Workforce Diploma Program" within DESE to assist students in obtaining a high school diploma and developing employability and career technical skills. This bill also established the "Extended Learning Opportunities Act." The bill defined "extended learning opportunity" as an out-of-classroom learning experience as approved by the State Board of Education, school board, or a charter school and that provided a student with: 1) Enrichment opportunities; 2) Career readiness or employability skill opportunities including, but not limited to, internships; pre-apprenticeships; or apprenticeships; or 3) Any other approved educational opportunities. This bill passed the House and saw some action in the Senate, but ultimately failed.

### **DID NOT PASS**

**Unemployment benefits:** Every year there are bills filed to alter parts of the Employment Security law. Some are big changes, most are small. This year [SB 667](#) was filed by Senator Mike Bernskoetter (R-Jefferson City). It is legislation that proposed to alter the duration an individual can receive unemployment benefits. This exact language has been filed over the last several sessions. It has come close to passing, but has not made it to the governor's desk. Specifically, the bill proposed to do the following. Under current law, the maximum duration for an individual to receive unemployment benefits is 20 weeks. This act modifies the duration an individual can receive such benefits by basing it on the Missouri average unemployment rate, as follows:

- 20 weeks if the Missouri unemployment rate is higher than nine percent;
- 19 weeks if the Missouri unemployment rate is higher than 8.5% but no higher than 9%;
- 18 weeks if the Missouri unemployment rate is higher than 8% but no higher than 8.5%;
- 17 weeks if the Missouri unemployment rate is higher than 7.5% but no higher than 8%;
- 16 weeks if the Missouri unemployment rate is higher than 7% but no higher than 7.5%;
- 15 weeks if the Missouri unemployment rate is higher than 6.5% but no higher than 7%;
- 14 weeks if the Missouri unemployment rate is higher than 6% but no higher than 6.5%;
- 13 weeks if the Missouri unemployment rate is higher than 5.5% but no higher than 6%;
- 12 weeks if the Missouri unemployment rate is higher than 5% but no higher than 5.5%;
- 11 weeks if the Missouri unemployment rate is higher than 4.5% but no higher than 5%;
- 10 weeks if the Missouri unemployment rate is higher than 4% but no higher than 4.5%;
- 9 weeks if the Missouri unemployment rate is higher than 3.5% but no higher than 4%;  
and
- 8 weeks if the Missouri unemployment rate is at or below 3.5%.

The Builders' Association is concerned that reducing the benefits by tying them to the general unemployment rate could hit construction workers harder relative to other industries. This would work against our career retention interests. The bill did not make it out of the Senate, its house of origin.

### **DID NOT PASS**

**Energy standards for public contracts:** [SB 1220](#) was filed by Senator Elaine Gannon (R-De Soto). The act created new standards for the maximum acceptable global warming potential for each category of eligible materials, as defined in the act, that are used in a public project. The Commissioner of Administration would be charged with implementing these provisions as it pertains to public projects that deal with the construction, alteration, repair, demolition, or improvement of any land, building, structure, facility, or other public improvement. The Department of Transportation would be responsible for implementing these provisions as it pertains to public projects that deal with roads, highways, or bridges. The act established baseline criteria for determining the maximum acceptable global warming potential, provided that the relevant officer may consult with any other relevant department, division, or agency of the state in determining such standards. The standards must be reviewed every four years and may be adjusted to reflect industry conditions, provided the standards cannot be adjusted upward for any eligible material. The Commissioner and the Department were required to submit an annual report to the General Assembly with information described in the act.

In every contract covered by the act, a public body shall require the designer who is awarded the contract to include in project specifications when final construction documents are released, a current environmental product declaration, type III, as defined by the international organization for standardization standard 14025:2006, or similarly robust life cycle assessment methods that have uniform standards in data collection, as set by policy by the commissioner for each eligible material proposed to be used in the public project that meets the maximum acceptable global warming potential for each category of eligible materials. A contractor that is awarded a contract for a public project shall not install any eligible materials on the project until the contractor submits an environmental product declaration for that material, provided that if a product that meets the maximum acceptable global warming potential for a category of eligible materials is not reasonably priced or is not available on a reasonable basis at the time of design or construction, the Commissioner may waive the requirement for that product.

This act also proposed to require each state department, in the course of the procurement of concrete, to give consideration and preference to the procurement of a concrete mix design.

The bill never had a hearing in the Senate.

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## **DID NOT PASS**

**Right to Work:** Three Right to Work bills were filed this session. None had a hearing. The House bill that was filed was [HB 2122](#) by Rep. Jered Taylor (R-Republic). There were two Senate bills: [SB 706](#) sponsored by Senator Jason Bean (R- Holcomb) and [SB 880](#) sponsored by Senator Eric Burlison (R- Battlefield).

## **DID NOT PASS**

**Prevailing wage:** In 2018, the Missouri General Assembly passed legislation that significantly altered the state's prevailing wage law. With the new statutes, prevailing wage as an issue was taken off the table for discussion by Senate Pro Tem Dave Schatz. 2022 is the senator's last year of his term (he is now running for U. S. Senate to replace Senator Roy Blunt), so we were fairly confident this topic would not get any debate time this year (which was true). Next year could be a different story.

With that backdrop, legislators filed two bills this session. [HB 2388](#) was filed by Rep. Kurtis Gregory (R-Marshall). The bill defined "qualified project" to include demolition or removal of a building no longer in use, if the funds used to pay for the project are from an account titled or referred to as "Deferred Maintenance" or any other similar name. The bill exempted institutions of higher education from paying prevailing wages for such projects. The other bill was [HB 2750](#) filed by Rep. Allen Andrews (R-Grant City). It exempted counties of the third and fourth classification, and political subdivisions located within such counties, as well as any public works project where the costs and expenditures are equal to \$500,000 or less, from the prevailing wage provisions for construction of public works projects. Neither bill had any legs.

[As always, if you have questions about any of the pieces of legislation above, or would like us to look into a bill or issue not listed, please contact Allen Dillingham, Government Relations Director for The Builders' Association, at 816.595.4121 or \[adillingham@buildersassociation.com\]\(mailto:adillingham@buildersassociation.com\). We also encourage you to contact your elected representatives on these pieces of legislation and other issues important to you and your business.](#)

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