

STATE CAPITOL
201 W. CAPITOL AVENUE, ROOM 216
JEFFERSON CITY, MISSOURI 65101



(573) 751-3222
WWW.GOVERNOR.MO.GOV

Michael L. Parson

GOVERNOR
STATE OF MISSOURI

July 14, 2020

TO THE SECRETARY OF STATE
OF THE STATE OF MISSOURI
100th GENERAL ASSEMBLY
SECOND REGULAR SESSION

Herewith I return to you Senate Substitute No. 2 for Senate Committee Substitute for House Committee Substitute for House Bill 1854, entitled:

AN ACT

To repeal sections 29.230, 36.155, 50.166, 50.327, 54.140, 59.021, 59.100, 64.805, 67.730, 67.1360, 67.1545, 94.838, 94.900, 94.902, 105.145, 115.127, 115.621, 115.646, 137.180, 138.434, 144.757, 205.202, 238.207, 238.235, 238.237, 321.015, 321.190, 321.300, 321.552, 321.603, 506.384, 610.021, 620.2005, and 620.2010, RSMo, and section 49.266 as enacted by senate bill no. 672, ninety-seventh general assembly, second regular session, and section 49.266 as enacted by house bill no. 28, ninety-seventh general assembly, first regular session, and to enact in lieu thereof fifty-two new sections relating to political subdivisions, with penalty provisions.

I disapprove of Senate Substitute No. 2 for Senate Committee Substitute for House Committee Substitute for House Bill 1854. My reasons for disapproval are as follows:

While I recognize and applaud the General Assembly and local governments in their effort to improve the laws governing political subdivisions of this state, I cannot approve this bill as presented to me.

This bill contains thirty-seven (37) different subjects, many of which did not receive a public hearing. Not all of the aforementioned subjects relate to the bill's original purpose as required by Article III, Section 21 of the Missouri Constitution. The underlying bill's original purpose was to allow for the elimination of outstanding penalties and fees for political subdivisions that are delinquent in reference to the requirement they submit financial disclosure statements. Many of the subsequent amendments resulting in the numerous subjects in the final bill are not germane to this original purpose in that they do not relate to excusing fees and penalties owed by political subdivisions. The constitutional requirement that a bill maintain its original purpose was

intended to guard against hasty legislation and afford legislators and the public an opportunity to fairly consider and comment on a bill's provisions and amendments.

Moreover, the fact that the bill contains thirty-seven different subjects violates the requirement that each bill contain a single subject as found in Article III, Section 23 of the Missouri Constitution. This constitutional requirement, that a bill contain no more than a single subject, was intended to protect the people of this state and the General Assembly from compromising in one bill diverse and inapposite subjects that would not achieve the requisite majority independently of one another. It is my judgment that the intent of these constitutional requirements was not fulfilled in this instance due to the constraints imposed upon the General Assembly by the recent outbreak of COVID-19.

Section 115.646 criminalizes a school district or charter school advocating in support or opposition of ballot measures. If convicted, a person could face punishment by imprisonment of not more than one year or by a fine of not more than two thousand five hundred dollars or by both such imprisonment and fine. Often, these individuals serve their communities and are best situated to know when ballot issues need to be put to the voters in their districts. Criminalizing their advocacy of these measures limits the flexibility of the democratic process and reduces public awareness of the issues facing our school districts.

Section 115.127 modifies the candidate declaration deadline for political subdivisions. There is significant concern that this provision will disproportionately impact the Kansas City Public School Board of Directors election, shortening the candidate filing period to only five days immediately preceding the Christmas holiday. While this outcome was likely not intended, it may need to be modified for future consideration.

In furtherance of improving government for the benefit of citizens, I am concerned about the effect of modifying Sections 620.2005 and 620.2010 of the Missouri Works Program to allow for part-time jobs. One of the primary goals of economic development incentive programs is to provide meaningful and gainful employment to citizens, and to encourage and support full-time positions that benefit families for the long term. Inclusion of part-time jobs without further requirements or definitions adversely impacts and dilutes these existing programs.

Sections 67.1545, 238.207, 238.235, and 238.237 modify provisions relating to establishing Community Improvement Districts (CIDs) and Transportation Development Districts (TDDs) in order to ensure greater accountability to taxpayers. While the intent behind the legislative modification has merit, the provisions of the act conflict with unamended current law and have unintended consequences that is likely to result in extensive litigation and the need for further amendment. For example, while section 67.1545 seeks to require that all qualified voters within the municipality in which the district is located shall be required to vote on any resolution to form a CID, the definitions of "qualified voter" and "municipality" were unamended in section 67.1401. Thus, it is unclear who the qualified voters are, and in what area they must reside geographically to be allowed to vote on such resolution. Similar issues persist with provisions relating to TDDs. Further, if the intent of the legislation is to ensure greater accountability from taxpayers and qualified voters, the ability to submit a mail-in ballot should be reconsidered. Lastly, it is unclear how this legislation may affect projects that are in the planning stages or

underway. It would be inopportune to infuse these processes with ambiguity, especially when investments and commitments have been made under the current state of the law.

Sections 620.2250 and 620.2010 also create economic incentives for Targeted Industrial Manufacturing Enhancement (TIME) Zones. While this program is similar to the Missouri Works Program, it does not contain similar job retention requirements. It also may allow a TIME Zone to be formed within an Advanced Industrial Manufacturing (AIM) Zone. This would allow multiple tax incentive structures to be overlapped with the Missouri Works Program. Stacking of tax benefit programs should be limited in order to ensure program efficacy.

Section 105.145, the underlying bill, also may need to be improved for future consideration. Under this act, the Missouri Department of Revenue may file disincorporation petitions against political subdivisions for failing to file financial transaction reports. While political subdivisions should be held accountable for such reports, the Department should not be allowed to disincorporate a political subdivision, as such political subdivision may provide vital services to citizens.

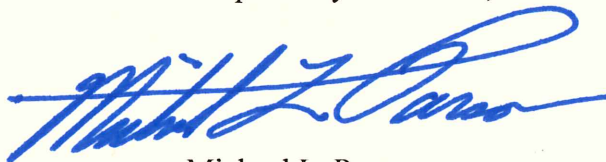
Currently, when county officials do not perform their job duties, they are punished upon conviction of a misdemeanor and must vacate office. Section 54.140 removes the ability to require that the county official vacate their office. As such, taxpayers would be paying for an elected official to refuse to do their job. This provision should remain current law, as elected officers of county government should be required to do the jobs that they were elected to do.

Section 29.230, this act would prohibit the State Auditor from performing such audits of third class counties if they elected to not be audited, or if they had been audited by a certified public accountant in the past two years. However, performance audits are not financial audits as they also include subjective measures of effectiveness, results, efficiency, internal control, and compliance. Performance audits are able to assist the audited entity to make improvements for taxpaying citizens. While the intent of reducing the number of audits for any entity is a worthy cause, performance audits should be preserved to ensure government accountability.

There are many other provisions contained within this bill of which I approve, including support for early childhood education and property tax reforms. I will look forward to working with the General Assembly on these items in the future.

In accordance with the above stated reasons for disapproval, I am returning Senate Substitute no. 2 for Senate Committee Substitute for House Committee Substitute for House Bill 1854 without my approval.

Respectfully Submitted,



Michael L. Parson
Governor