

HCS SS#3 SCS SB 758 -- INCENTIVES FOR INCREASED BUSINESS ACTIVITIES

SPONSOR: Hough (Grier)

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Standing Committee on Economic Development by a vote of 9 to 0. Voted "Do Pass" by the Standing Committee on Rules- Legislative Oversight by a vote of 6 to 2.

The following is a summary of the House Committee Substitute for SB 758.

This bill modifies various provisions relating to incentives for increased business activities.

BIDDING ON CERTAIN PUBLIC PROJECTS

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 two 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 preestablished criteria 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 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 (Section 8.250, RSMo).

BONDS FOR BUILDINGS AND FACILITIES

The bill repeals a provision that allows for the issuance of bonds for the construction of a new mental health facility in Callaway County (Section 8.420).

CONSTRUCTION MANAGER-AT-RISK/DESIGN-BUILD - STATE PROJECTS

The bill permits the office of administration to utilize:

- (1) The construction manager-at-risk delivery method; and

(2) The design-build delivery method for non-civil works projects in excess of \$7 million and no more than five non-civil works projects in any fiscal year that are valued at less than \$7 million (Section 8.690).

PUBLIC WORKS CONTRACTS - PAYMENT REQUIREMENTS

The bill 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 (Sections 34.057 and 34.058).

FAIRNESS IN PUBLIC CONSTRUCTION ACT

The bill transfers the "Fairness in Public Construction Act" from Chapter 34 to Chapter 8 (Sections 34.203 to 34.216).

SINGLE FEASIBLE SOURCE PURCHASING AUTHORITY

Currently, the Commissioner of the Office of Administration may, when in the Commissioner's best judgment it is in the best interests of the state, delegate the Commissioner's procurement authority to an individual department, provided that in the case of single feasible source purchasing authority in excess of \$5,000 the authority must be specifically delegated by the Commissioner. This bill increases that threshold to \$10,000 (Section 34.100).

DESIGN-BUILD/CONSTRUCTION MANAGER-AT-RISK - POLITICAL SUBDIVISIONS

The bill expressly includes 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 (Section 67.5065).

OZARKS HIGHLANDS SPIRITS

This bill provides conditions for spirits to qualify and be labeled for sale in Missouri as "Ozark Highlands" spirits. For aged products, these conditions include:

- (1) The product must be mashed, fermented, distilled, aged, and bottled in the Ozark Highlands region;
- (2) The product must be aged in barrels manufactured in Missouri;
- (3) The water source must be untreated or natural from natural springs or deep wells in the Ozarks Highlands, and without chlorination or added chemicals such as fluoride; and

(4) The minimum age of whiskey is four years.

For unaged products, such as gin or vodka, these conditions include:

(1) The product must be mashed, fermented, distilled, and bottled in the Ozark Highlands region; and

(2) The water source must be untreated or natural from natural springs or deep wells in the Ozarks Highlands, and without chlorination or added chemicals such as fluoride.

The product must be further certified, by seal or other means, by the Ozark Highland Distillers Guild. For purposes of this bill, the Department of Natural Resources shall produce and publish an official map of the "Ozark Highlands" region (Section 311.028).

This provision is the same as a provision in the perfected HS HB 2310 and HCS HB 2621 and similar to a provision in the perfected HB 1629 (2022).

ONE START

The bill modifies the Missouri One Start Program by adding, modifying, and repealing certain definitions.

The definition of "certificate", "existing Missouri business", and "training program" are removed. Definitions for "application", "recruitment services", and "relocation costs" are added. The definition of "project facility" is modified by removing county average wage requirements in cases where multiple facilities make up the project facility. The definition of "training project costs" is modified to include relocation costs and costs of training project services not otherwise included in the definition (Section 620.800).

This bill also repeals the Missouri One Start Job Training Joint Legislative Oversight Committee, which was tasked with providing a report on all assistance to qualified companies under the Missouri One Start Program.

The bill authorizes the Department of Economic Development to contract with other entities to provide recruitment services to qualified companies (Section 620.803).

This bill provides that recruitment services for qualified companies shall be administered by the Department, while financial assistance for training projects shall be administered by a local

education agency certified by the Department for that purpose. This bill also repeals a provision prohibiting a qualified company from receiving more than 50% of its training program costs from the Missouri One Start Job Development Fund (Section 620.806).

Currently, new job credits are deposited in the Missouri One Start Community College New Jobs Training Fund, and retained job credits are deposited in the Missouri One Start Community College Job Retention Training Fund. Beginning July 1, 2023, all unobligated moneys in such funds shall be transferred to the Missouri One Start Community College Training Fund, which is created by the bill, and to which all new jobs credits and retained jobs credits shall be deposited (Section 620.809).

These provisions are the same as HCS HB 2438 and similar to SB 1072 (2022).

The following is a summary of the public testimony from the committee hearing. The testimony was based on the Senate Perfected version of the bill.

PROPONENTS: Supporters say that this bill deals with design-build and construction manager-at-risk authority being given to the Office of Administration. This would lead to projects moving in a faster, more cohesive, and financially responsible way. Using this method streamlines the process for projects for our state. Supporters claim this because this consolidates and streamlines the current process that may take substantial time while still protecting the interests of small contractors. This bill modernizes the delivery methods for the state and brings it in-line with the private sector and many other states.

Testifying for the bill were Senator Hough; The Builders Association; Burns & McDonnell; and Je Dunn Construction.

OPPONENTS: Those who oppose the bill submitted online testimony.

Testifying against the bill was Arnie Dienoff.

Written testimony has been submitted for this bill. The full written testimony can be found under Testimony on the bill page on the House website.