

HCS HBs 2874 & 2796 -- PROTECTING MISSOURI'S ECONOMY DURING A SHUTDOWN ORDER

SPONSOR: Seitz

COMMITTEE ACTION: Voted "Do Pass with HCS" by the Special Committee on Small Business by a vote of 8 to 0. Voted "Do Pass" by the Standing Committee on Rules- Regulatory Oversight by a vote of 8 to 0.

The following is a summary of the House Committee Substitute for HB 2874.

This bill creates the "Protecting Missouri's Small Businesses Act".

The bill requires the State's political subdivisions to give careful consideration to and appropriate concern for the lasting effects of actions that may cause economic loss to Missourians and businesses.

The bill provides that beginning January 1, 2025, if any political subdivision with jurisdiction over a business implements a shutdown order and the business closes due only to the shutdown order for at least 14 consecutive days or at least 30 cumulative days, the following requirements apply:

- (1) Waiving any fee for a business license during the period of the shutdown order or six months, whichever is longer. Such fees may be prorated; and
- (2) Reducing the real and personal property tax liability of the business based on the number of days the business was shut down in a given year, as specified in the bill.

If a taxpayer rents or leases all or a portion of the taxpayer's affected real property to one or more renters or lessors, the taxpayer must distribute a pro rata amount of the reduced liability to renters or lessors who are current on all lease or rental payments. This bill is not to be construed to affect professional licensure, does not require the state to provide restitution or to replace lost revenues to a political subdivision, and shall be construed as an exercise of the political subdivision's authority to levy and collect local tax revenues.

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

PROPONENTS: Supporters say that small business owners paid a heavy price when they were ordered to close during the height of the COVID epidemic. The bill allows businesses to recoup some of their losses. It gives political subdivisions some impetus to consider the consequences of shutdown orders.

Testifying in person for the bill were Representative Seitz and NFIB.

OPPONENTS: There was no opposition voiced to the committee.

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