

MISSOURI ASSOCIATION OF FIRE CHIEFS

EXECUTIVE DIRECTOR REPORT LEGISLATIVE REPORT #4 2013 SESSION JANUARY 28, 2013

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(NEW INFORMATION WILL BE IN RED)

Opening Day

The session began this week, and committees were named in the house and senate. (See above for a link to the committees). The Speaker of the House, Tim Jones and President of the Senate laid out priorities to their respective chambers. There were several stories covering these speeches, [article 1](#), and [article 2](#), but the quick read is they each remained consistent with their pre-session priority lists of investment in infrastructure (highway construction, education facilities and energy upgrades), improved education, tax revamp and economic development, including tort reform (med mal caps and workers comp/second injury fund reform). Absent from the support list was Medicaid expansion, which will be a marquee in the governor's budget when released on the 28th during his annual State of the State address. Speaker Jones made a clear statement that expansion of entitlements should not erode the funding for education.

Next week a few committees will meet to begin hearing bills, but Inauguration Day is Monday, which will limit the amount of business each chamber conducts next week.

The senate and house are beginning hearings. Tax policy, including income and sales taxes as well as tax credit reform, appears to be the frontrunner with respect to issues being debated first.

The Governor will announce his budget on January 28th during his state of the state address. The major objection the House and Senate republicans will probably cite is the Governor's attempted expansion of Medicaid, allowed, but not required, by the federal health care bill. More budget information will be received from Jorgen after the Senate reaction to the Governor's proposal is released.

The House Public Safety Appropriations Committee is meeting this week. Jorgen will meet with Rep Marsha Haefner, the new chair of the committee and Rep Dave Hinson, one of its members. This meeting is only to review the budgets; no decisions will be made. Other members of the committee are at the bottom of this document.

The big issue still looming in the capitol is, whether the senate has changed their method of doing business, or will they slip into their gridlock rut in which they have frustratingly found themselves in the past few sessions. Jorgen predicts a new Senate emerges; others are not so optimistic. When the Governor's approvals for his appointees are brought to the floor, it could set the tone for the session.

Infrastructure was the big topic of the week. A mix of house and senate members continue to push for a 1 cent sales tax for 10 years which will generate \$8 billion for projects throughout the state. Half of the cost of rebuilding I-70 would come from this revenue source, the other would be from funds already allocated by existing highway funds. Another camp, including the House chairman and Speaker prefer the bonding method, which brings in significantly less than \$8 billion, at most probably just under \$2 billion, but it has no tax increase associated with it, and would be paid from existing general revenue over a longer period of time than the competing 10 year sales tax proposal. The two camps are far from a resolution.

The Senate Economic Development Committee passed out two bills that have not made it through the Senate in past sessions because of a lack of a deal on the over all reform of Tax Credits.

The House Public Safety Appropriations Committee met this week, as did the Senate Appropriations Committee for the purpose of taking public testimony. Chief Russ Mason testified and was received very well by the Chairman, Kurt Schaefer from Columbia. Jorgen has a meeting to follow up with Sen. Schaefer and his staff regarding increasing training dollars in the FFTF. Thank you to Russ for taking time to do this!

The House Committee will receive public testimony on Wednesday in HR 6 at 2 p.m. Jorgen will also meet with Rep Marsha Haefner, the new chair of the committee and Rep Dave Hinson, one of it's members, as she begins to contemplate her recommendations to the full Budget Committee. She does not get to make changes to the budget bills, but a good recommendation always helps. This will likely happen in late February, and the Senate will make their decisions in April.

Dave Hinson, new chairman of the Crime Prevention and Public Safety, will hold an organizational meeting this week. He has already discussed developing a omnibus public safety bill. He will work with us nicely.

FSA Priority Issues

Jorgen will be meeting with contacts on FSA issues later this month. Revenue is better than it has been in several fiscal years.

Our priority bills will be filed in the next few weeks.

OTHER ISSUES

Medicaid update

The House and Senate remain less than excited about moving this proposal forward and are looking for the other chamber to make the first move. The issue nonetheless continues to get significant conversation and is not dead by any stretch of the imagination. The expansion would cover many ambulance calls that are now for indigent patients. The expansion would cover people up to 138% of federal poverty. Current coverage is for adults under 19% of federal poverty level.

Reps Jay Barnes, Chris Mollendorp, Keith Fredrick's and Tom Flanigan comprise an unofficial workgroup drafting legislation outlining their own "expansion" proposal. That may include reforms and expansion but not to the federal requirement of 138%. This will be a game of chicken. The senate shows little movement thus far, but sun setting the expansion upon expiration of the 100% fed match does have some promise to get the senate's attention. It would then be for a future general assembly to renew the sun set. Much more to come-

Bills of potential interest

HOUSE BILLS

[HB 28 Lichtenegger](#) Authorizes any county commission, municipality, or fire protection district to adopt an order or ordinance, including a burn ban order, regarding its emergency management functions as they relate to a natural or man-made disaster.

Bill History: 12-03-12 H Filed

[HB 33 Guernsey](#) Extends the expiration date of certain provisions of the Open Meetings and Records Law.

Bill History: 12-03-12 H Filed This bill will be fast tracked since the previous legislature failed to extend the sunset clause, and currently your disaster preparedness plans are open records.

[HB 45 Hinson](#) Authorizes the county commission in any county to adopt certain building codes.

Bill History: 12-04-12 H Filed

[HB 66 Burlison](#) Removes the provision that requires fire protection districts located in Greene County to have an audit performed every two years.

Bill History: 12-18-12 H Filed

[HB 115 Davis](#) Prohibits an employer from requesting or requiring an employee or applicant to disclose any user name, password, or other means for accessing a personal account or service through an electronic device.

Bill History: 01-10-13 H Read second time

[HB 118 Shull](#) Changes the laws regarding the Open Meetings and Records Law to allow certain meetings and records regarding policies, security systems, and structural plans regarding any terrorist or public safety or health incident to be closed.

Bill History: 01-10-13 H Read second time Same as HB 33 above, and will be heard this week.---

[HB 135 Diehl](#) Authorizes any political subdivision to enter into design-build contracts for construction projects exceeding one million dollars.

Bill History: 01-10-13 H Read second time

[HB 147 Davis](#) Expands the procedural protections given to taxpayers in charter counties and the City of St. Louis regarding residential property tax assessments to taxpayers in any county.

Bill History: 01-14-13 H Read second time

[HB 160 Sommer](#) Prohibits certain election and campaign activities on election day within the property boundaries of a polling place and electioneering at specified voting sites within a 250 foot radius of the entrance to the site.

Bill History: 01-15-13 H Read second time

[HB 161 Gatschenberger](#) Specifies that any voluntary annexation must only be notarized and modifies procedures regarding invalidating or challenging a previous annexation.

Bill History: 01-15-13 H Read second time

[HB 234 Gatschenberger](#) **Authorizes a claim clearinghouse to process and verify a request for an offset of an income tax refund and lottery winnings to satisfy an outstanding debt for ambulance services an individual received.**

Bill History: 01-23-13 H Read second time

[HB 254 Swearingen](#) **Authorizes the City of North Kansas City to impose, upon voter approval, a sales tax to fund public safety improvements**

Bill History: 01-23-13 H Read second time

[HB 307 - Riddle \(049\)](#) – **Exempts fire protection districts in certain counties from the provision specifying that no person holding any lucrative office under this state shall hold the office of fire protection district director.**

Introduced

SENATE BILLS

[SB 1 Rupp](#) Modifies the law relating to workers' compensation.

Bill History: 12-01-12 S Filed – **This bill is a continuation of the reform of workers comp we supported last year. It is very broad and comprehensive (see summary at the bottom of this document) - It was heard and voted out of committee this week. I suspect several more versions will be contemplated prior to the bill receiving substantive debate time on the senate floor. When the substitute bill developed by the committee is available I will include update you.**

[SB 30 Brown](#) Repeals all of the prevailing wage laws.

Bill History: 12-01-12 S Filed

[SB 66 Dixon](#) Repeals a number of expired or obsolete committees.

Bill History: 12-07-12 S Filed

[SB 139 Kehoe](#) Extends the expiration date for the closure of certain records, meetings and votes relating to operational guidelines and security systems to December 31, 2017.

Bill History: 01-17-13 S Introduced and read first time Same as HB33 above.

[SB 190 Walsh](#) Establishes mandatory wage reporting for the purposes of determining the prevailing wage.

Bill History: 01-22-13 S Introduced and read first time

JOINT RESOLUTIONS

[SJR 13 Chappelle-Nadal](#) Makes St. Louis city a part of St. Louis county Bill History: 01-17-13 S Introduced and read first time

Public Safety Appropriations Committee

Haefner, Marsha, Chair
Conway, Kathie, Vice Chair
Ellington, Brandon
Fitzwater, Paul
Hinson, Dave
Hubbard, Penny
Muntzel, Dave
Nichols, Mary
Otto, Bill
Rhoads, Shawn
Sommer, Chrissy
Wilson, Kenneth

Workers Compensation Summary (SB1)

SB 1 - This act modifies the law relating to the Second Injury Fund.

This act allows the Director of Revenue to set the interest, with respect to workers' compensation matters, to equal the adjusted prime rate charged by banks in certain instances.

Currently, in workers' compensation cases an employee shall submit to reasonable medical examination at the request of the employer, the employer's insurer, the commission, the division, or an administrative law judge. This act requires the same treatment in claims against the Second Injury Fund at the request of the Attorney General, on behalf of the fund if the employer has not obtained a medical examination report.

Claims for permanent partial disability shall not be allowed against the Second Injury Fund after the effective date of the act. Claims for permanent total disability shall only be allowed going forward for instances when:

- there exists a medically documented preexisting permanent disability caused by military duty or a preexisting permanent partial disability,
- the preexisting disability equals a minimum of 50 weeks of compensation according to the medical standards that are used in determining compensation, and
- a subsequent work-related injury occurs and, when combined with the elements of the prior injury, results in permanent total disability.

Employers at the time of the last injury are only liable for the disability resulting from the subsequent injury.

The act places limitations on when the Treasurer may enter agreed statements of fact and compromise settlements. Settlements are capped at \$60,000 for claims other than permanent total disability claims filed prior to the effective date of the act and capped at 200 times the employee's permanent total disability rate for all permanent total disability claims. Settlements may be made in any amount if a majority of the Second Injury Fund commission expressly authorizes the amount.

The Treasurer, with the advice and consent of the Attorney General and the authorization of the Second Injury Fund Commission, may enter into compromise settlements with dependents of claimants arising from the Schoemehl v. Treasurer decision.

Currently, the Second Injury Fund covers the fair, reasonable, and necessary expenses relating to the death and injury of employees of uninsured employers. The fund will no longer cover those costs going forward.

Currently, an actuarial study of the fund is conducted ever 3 years. This act requires a yearly study beginning in 2014.

Compensation shall not be payable from the Second Injury Fund when employees elect to pursue workers' compensation outside of the state.

Life payments paid out of the Second Injury Fund shall be suspended for all injured employees when the employee is able to obtain suitable gainful employment or be self-employed in view of the nature and severity of the injury. Life payments paid out of the Second Injury Fund may be suspended for any injured employee when the employee becomes eligible to receive Social Security benefits. The combined sum of the amount of monthly payments from the Second Injury Fund and monthly Social Security benefits shall not

be less than the life payments otherwise payable out of the Second Injury Fund.

The act establishes a priority for paying fund liabilities as follows:

1. Expenses relating to legal defense of the fund.
2. Permanent total disability awards in the order in which they are settled or finally adjudicated.
3. Permanent partial disability awards in the order in which they are settled or finally adjudicated.
4. Medical expenses incurred prior to July 1, 2012.
5. Interest on unpaid awards.

Currently, a 2% tax is levied on insurance carriers when the balance of the workers' compensation fund is estimated to be on hand on December 31 is less than 110% of the previous year's expenses. This act requires that amount to actually be on hand on July 1 of the year of the determination, which shall be made on October 31.

The act repeals a provision allowing loans to be made to the Missouri Employers Mutual Insurance Company.

The act institutes a funding mechanism to bolster the Second Injury Fund when usual collections are inadequate. If funds fall short, the Director of the Division of Workers' Compensation shall determine the shortfall, which shall be collected with a supplemental surcharge not to exceed 1 1/2%. If funds continue to fall short, the Second Injury Fund Commission shall determine the shortfall, which shall be collected with a supplemental surcharge not to exceed 1 1/2%. The provisions containing the authorization of additional surcharges expire on December 31, 2020.

The Attorney General shall reduce staff in proportion to the number of Second Injury Fund cases that remain.

The act creates the Second Injury Fund Commission composed of the Governor, Attorney General, President Pro Tem of the Senate, and the Speaker of the House of Representatives to approve additional surcharges and authorize certain settlements.

Sections 287.165 and 287.220 that establish the type of claims to be paid out of the fund, limitations on settlement agreements, and allowable interest under the chapter carry an emergency clause.