

# JOURNAL OF THE HOUSE

First Regular Session, 97th GENERAL ASSEMBLY

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FIFTY-SEVENTH DAY, WEDNESDAY, APRIL 24, 2013

The House met pursuant to adjournment.

Speaker Jones in the Chair.

Prayer by Msgr. Robert A. Kurwicky, Chaplain.

*Let not your heart be troubled; believe in God. (John 14:1)*

O Loving God, Who is ever seeking to strengthen Your children, make us strong as we face the arduous tasks of this day and as we carry the heavy responsibilities placed upon us - keeping common sense alive and promoting justice and good will among our citizens. Give to us the faith which will enable us to meet fearlessly the forces of confusion, which threaten to engulf us.

Bless the members of this body. Lead them in their labors, direct them in their decisions, fortify their faith, strengthen their spirits, and elevate their endeavors that they may lead Missouri into wider areas of truth and righteousness.

Finally, bless our men and women in the service of our country - many exposed to danger and death. Heal the wounded, strengthen their families, relieve the suffering, and comfort the sorrowing. Hasten the day when everyone will learn to live in peace.

And the House says, "Amen!"

The Pledge of Allegiance to the flag was recited.

The Speaker appointed the following to act as Honorary Pages for the Day, to serve without compensation: Justice Hoard, Nia Montgomery, Kori Roach, Jack Vollmer, Madisen Schieber, Alysa Schieber, Rachel Schieber, Eli Menifee, Joy Farrar and Seth Rothermich.

The Journal of the fifty-sixth day was approved as printed.

## HOUSE COURTESY RESOLUTIONS OFFERED AND ISSUED

House Resolution No. 2215 through House Resolution No. 2283

## THIRD READING OF HOUSE BILLS

HCS HBs 455 & 297, relating to food stamp eligibility, was taken up by Representative English.

On motion of Representative English, **HCS HBs 455 & 297** was read the third time and passed by the following vote:

AYES: 120

Allen	Anders	Anderson	Austin	Bahr
Barnes	Bernskoetter	Berry	Black	Brattin
Brown	Burlison	Burns	Cierpiot	Conway 10
Conway 104	Cookson	Cornejo	Cox	Crawford
Cross	Curtman	Davis	Diehl	Dohrman
Dugger	Elmer	Engler	English	Entlicher
Fitzpatrick	Fitzwater	Fowler	Fraker	Frame
Franklin	Frederick	Funderburk	Gannon	Gatschenberger
Gosen	Grisamore	Guernsey	Haahr	Haefner
Hampton	Hansen	Harris	Hicks	Higdon
Hinson	Hoskins	Hough	Houghton	Hurst
Johnson	Jones 50	Justus	Keeney	Kelley 127
Koenig	Kolkmeyer	Korman	Kratky	Lair
Lant	Lauer	Leara	Love	Lynch
Marshall	Mayfield	McCaherty	McGaugh	Messenger
Miller	Moon	Morris	Muntzel	Neely
Neth	Norr	Parkinson	Pfausch	Phillips
Pike	Pogue	Redmon	Rehder	Reiboldt
Remole	Rhoads	Richardson	Riddle	Roorda
Ross	Rowden	Rowland	Scharnhorst	Schatz
Schieber	Schieffer	Shull	Shumake	Smith 120
Solon	Sommer	Spencer	Stream	Swan
Thomson	Torpey	Walker	Webber	White
Wieland	Wilson	Wood	Zerr	Mr Speaker

NOES: 035

Butler	Carpenter	Colona	Dunn	Ellinger
Englund	Gardner	Hubbard	Hummel	Kelly 45
Kirkton	LaFaver	May	McCann Beatty	McDonald
McKenna	McManus	McNeil	Meredith	Mims
Mitten	Montecillo	Morgan	Newman	Nichols
Otto	Pace	Peters	Pierson	Rizzo
Runions	Schupp	Swearingen	Walton Gray	Webb

PRESENT: 000

ABSENT WITH LEAVE: 008

Curtis	Ellington	Flanigan	Hodges	Lichtenegger
Molendorp	Smith 85	Wright		

Speaker Jones declared the bill passed.

**HCS HB 335**, relating to public safety, was taken up by Representative Hinson.

On motion of Representative Hinson, **HCS HB 335** was read the third time and passed by the following vote:

AYES: 102

Allen	Anderson	Austin	Bahr	Barnes
Bernskoetter	Berry	Brattin	Brown	Burlison
Cierpiot	Conway 104	Cookson	Cox	Crawford
Cross	Curtman	Davis	Diehl	Dohrman
Dugger	Elmer	Engler	Entlicher	Fitzpatrick
Fitzwater	Fowler	Fraker	Franklin	Frederick
Funderburk	Gannon	Gatschenberger	Gosen	Grisamore
Guernsey	Haahr	Haefner	Hampton	Hansen
Hicks	Higdon	Hinson	Hoskins	Hough
Houghton	Hubbard	Hurst	Jones 50	Justus
Keeney	Kelley 127	Koenig	Kolkmeyer	Korman
Lair	Lant	Lauer	Leara	Lichtenegger
Love	Lynch	McCaherty	McGaugh	Messenger
Miller	Moon	Morris	Muntzel	Neely
Neth	Parkinson	Peters	Pfautsch	Phillips
Pike	Redmon	Rehder	Reiboldt	Remole
Rhoads	Richardson	Riddle	Ross	Rowland
Scharnhorst	Schatz	Shull	Shumake	Smith 120
Solon	Sommer	Spencer	Stream	Thomson
Walker	White	Wieland	Wilson	Wood
Zerr	Mr Speaker			

NOES: 055

Anders	Black	Burns	Butler	Carpenter
Colona	Conway 10	Dunn	Ellinger	Ellington
English	Englund	Frame	Gardner	Harris
Hodges	Hummel	Johnson	Kelly 45	Kirkton
Kratky	LaFaver	Marshall	May	Mayfield
McCann Beatty	McDonald	McKenna	McManus	McNeil
Meredith	Mims	Mitten	Montecillo	Morgan
Newman	Nichols	Norr	Otto	Pace
Pierson	Pogue	Rizzo	Roorda	Rowden
Runions	Schieber	Schieffer	Schupp	Swan
Swearingen	Torpey	Walton Gray	Webb	Webber

PRESENT: 000

ABSENT WITH LEAVE: 006

Cornejo	Curtis	Flanigan	Molendorp	Smith 85
Wright				

Speaker Jones declared the bill passed.

## The emergency clause was adopted by the following vote:

AYES: 147

Allen	Anders	Anderson	Austin	Bahr
Barnes	Bernskoetter	Berry	Black	Brattin
Brown	Burlison	Burns	Butler	Carpenter
Cierpiot	Colona	Conway 10	Conway 104	Cookson
Cornejo	Cox	Crawford	Cross	Curtman
Davis	Dohrman	Dugger	Elmer	Engler
English	Englund	Entlicher	Fitzpatrick	Fitzwater
Fowler	Fraker	Frame	Franklin	Frederick
Funderburk	Gannon	Gatschenberger	Gosen	Grisamore
Guernsey	Haahr	Haefner	Hampton	Hansen
Harris	Hicks	Higdon	Hinson	Hodges
Hoskins	Hough	Houghton	Hubbard	Hurst
Johnson	Jones 50	Justus	Keeney	Kelley 127
Kelly 45	Kirkton	Koenig	Kolkmeyer	Korman
Kratky	LaFaver	Lair	Lant	Lauer
Leara	Lichtenegger	Love	Lynch	May
Mayfield	McCaherty	McCann Beatty	McDonald	McGaugh
McKenna	McManus	McNeil	Meredith	Messenger
Miller	Mims	Mitten	Montecillo	Moon
Morgan	Morris	Muntzel	Neely	Neth
Newman	Norr	Otto	Pace	Parkinson
Peters	Pfautsch	Phillips	Pike	Redmon
Rehder	Reiboldt	Remole	Rhoads	Richardson
Riddle	Rizzo	Roorda	Ross	Rowden
Rowland	Runions	Scharnhorst	Schatz	Schieffer
Schupp	Shull	Shumake	Smith 120	Solon
Sommer	Spencer	Stream	Swan	Swearingen
Thomson	Torpey	Walker	Walton Gray	Webb
Webber	White	Wieland	Wilson	Wood
Zerr	Mr Speaker			

NOES: 010

Curtis	Dunn	Ellinger	Ellington	Gardner
Marshall	Nichols	Pierson	Pogue	Schieber

PRESENT: 000

ABSENT WITH LEAVE: 006

Diehl	Flanigan	Hummel	Molendorp	Smith 85
Wright				

**HB 756**, relating to a prisoner re-entry program, was taken up by Representative Hubbard.

On motion of Representative Hubbard, **HB 756** was read the third time and passed by the following vote:

AYES: 122

Allen	Anders	Barnes	Bernskoetter	Berry
Brown	Burns	Butler	Carpenter	Cierpiot
Colona	Conway 10	Conway 104	Cookson	Cornejo
Cox	Crawford	Cross	Curtis	Davis
Diehl	Dohrman	Dugger	Dunn	Ellinger
Ellington	Engler	English	Englund	Entlicher
Fitzwater	Flanigan	Fraker	Frederick	Funderburk
Gannon	Gardner	Gatschenberger	Gosen	Grisamore
Haefner	Hansen	Harris	Hicks	Higdon
Hinson	Hoskins	Hough	Houghton	Hubbard
Hummel	Jones 50	Justus	Keeney	Kelley 127
Kelly 45	Kirkton	Kolkmeyer	Korman	Kratky
LaFaver	Lair	Lant	Lauer	Leara
Lichtenegger	Love	Lynch	May	McCaherty
McCann Beatty	McGaugh	McManus	McNeil	Meredith
Messenger	Miller	Mims	Mitten	Montecillo
Morgan	Morris	Muntzel	Neely	Neth
Newman	Nichols	Norr	Otto	Pace
Parkinson	Peters	Pfautsch	Phillips	Pierson
Pike	Reiboldt	Remole	Richardson	Riddle
Rizzo	Rowden	Rowland	Runions	Schupp
Shull	Shumake	Solon	Sommer	Stream
Swan	Swearingen	Thomson	Torpey	Walker
Walton Gray	Webb	Webber	Wieland	Wood
Zerr	Mr Speaker			

NOES: 037

Anderson	Austin	Bahr	Black	Brattin
Burlison	Curtman	Elmer	Fitzpatrick	Fowler
Frame	Franklin	Guernsey	Haahr	Hampton
Hodges	Hurst	Johnson	Koenig	Marshall
Mayfield	McDonald	McKenna	Moon	Pogue
Redmon	Rehder	Rhoads	Roorda	Ross
Schatz	Schieber	Schieffer	Smith 120	Spencer
White	Wilson			

PRESENT: 000

ABSENT WITH LEAVE: 004

Molendorp	Scharnhorst	Smith 85	Wright
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Speaker Jones declared the bill passed.

**HB 808**, relating to teaching certificates, was taken up by Representative Funderburk.

On motion of Representative Funderburk, **HB 808** was read the third time and passed by the following vote:

AYES: 156

Allen	Anders	Anderson	Austin	Bahr
Barnes	Bernskoetter	Berry	Black	Brattin
Brown	Burlison	Burns	Butler	Carpenter
Cierpiot	Conway 10	Conway 104	Cookson	Cornejo
Cox	Crawford	Cross	Curtis	Curtman
Davis	Diehl	Dohrman	Dugger	Dunn
Ellinger	Ellington	Elmer	Engler	English
Englund	Entlicher	Fitzpatrick	Fitzwater	Flanigan
Fowler	Fraker	Frame	Franklin	Frederick
Funderburk	Gannon	Gardner	Gatschenberger	Gosen
Grisamore	Guernsey	Haahr	Haefner	Hampton
Hansen	Harris	Hicks	Higdon	Hinson
Hodges	Hoskins	Hough	Houghton	Hubbard
Hummel	Hurst	Johnson	Jones 50	Justus
Keeney	Kelley 127	Kelly 45	Kirkton	Koenig
Kolkmeyer	Korman	Kratky	LaFaver	Lair
Lant	Lauer	Lichtenegger	Love	Lynch
Marshall	Mayfield	McCaherty	McCann Beatty	McDonald
McGaugh	McKenna	McManus	McNeil	Meredith
Messenger	Miller	Mims	Mitten	Montecillo
Moon	Morgan	Morris	Muntzel	Neely
Neth	Newman	Nichols	Norr	Otto
Pace	Parkinson	Peters	Pfautsch	Phillips
Pierson	Pike	Pogue	Redmon	Rehder
Reiboldt	Remole	Rhoads	Richardson	Riddle
Rizzo	Roorda	Ross	Rowden	Rowland
Runions	Schatz	Schieber	Schieffer	Schupp
Shull	Shumake	Smith 120	Solon	Sommer
Spencer	Stream	Swan	Swearingen	Thomson
Torpey	Walker	Walton Gray	Webb	Webber
White	Wieland	Wilson	Wood	Zerr
Mr Speaker				

NOES: 001

Leara

PRESENT: 000

ABSENT WITH LEAVE: 006

Colona	May	Molendorp	Scharnhorst	Smith 85
Wright				

Speaker Jones declared the bill passed.

**HCS HB 170**, relating to firearms, was taken up by Representative Guernsey.

Representative Elmer assumed the Chair.

On motion of Representative Guernsey, **HCS HB 170** was read the third time and passed by the following vote:

AYES: 117

Allen	Anderson	Austin	Bahr	Barnes
Bernskoetter	Berry	Black	Brattin	Brown
Burlison	Cierpiot	Conway 104	Cookson	Cornejo
Cox	Crawford	Cross	Curtman	Davis
Diehl	Dohrman	Dugger	Elmer	Engler
English	Entlicher	Fitzpatrick	Fitzwater	Flanigan
Fowler	Fraker	Frame	Franklin	Frederick
Funderburk	Gannon	Gatschenberger	Gosen	Grisamore
Guernsey	Haahr	Haefner	Hampton	Hansen
Harris	Hicks	Higdon	Hinson	Hodges
Hoskins	Hough	Houghton	Hurst	Johnson
Jones 50	Justus	Keeney	Kelley 127	Koenig
Kolkmeyer	Korman	Lair	Lant	Lauer
Leara	Lichtenegger	Love	Lynch	Marshall
Mayfield	McCaherty	McGaugh	McKenna	Messenger
Miller	Moon	Morris	Muntzel	Neely
Neth	Parkinson	Pfautsch	Phillips	Pike
Pogue	Redmon	Rehder	Reiboldt	Remole
Rhoads	Richardson	Riddle	Roorda	Ross
Rowden	Rowland	Scharnhorst	Schatz	Schieber
Schieffer	Shull	Shumake	Smith 120	Solon
Sommer	Spencer	Stream	Swan	Thomson
Torpey	Walker	White	Wieland	Wilson
Wood	Mr Speaker			

NOES: 043

Anders	Burns	Butler	Carpenter	Colona
Conway 10	Curtis	Dunn	Ellinger	Ellington
Englund	Gardner	Hubbard	Hummel	Kelly 45
Kirkton	Kratky	LaFaver	May	McCann Beatty
McDonald	McManus	McNeil	Meredith	Mims
Mitten	Montecillo	Morgan	Newman	Nichols
Norr	Otto	Pace	Peters	Pierson
Rizzo	Runions	Schupp	Swearingen	Walton Gray
Webb	Webber	Wright		

PRESENT: 000

ABSENT WITH LEAVE: 003

Molendorp	Smith 85	Zerr
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Representative Elmer declared the bill passed.

The emergency clause was adopted by the following vote:

AYES: 113

Allen	Anderson	Austin	Bahr	Barnes
Bernskoetter	Berry	Brattin	Brown	Burlison
Cierpiot	Conway 104	Cookson	Cornejo	Cox
Crawford	Cross	Curtman	Davis	Diehl
Dohrman	Dugger	Elmer	Engler	Entlicher
Fitzpatrick	Fitzwater	Flanigan	Fowler	Fraker
Franklin	Frederick	Funderburk	Gannon	Gatschenberger
Gosen	Grisamore	Guernsey	Haahr	Haefner
Hampton	Hansen	Harris	Hicks	Higdon
Hinson	Hodges	Hoskins	Hough	Houghton
Hurst	Johnson	Jones 50	Justus	Keeney
Kelley 127	Koenig	Kolkmeier	Korman	Lair
Lant	Lauer	Leara	Lichtenegger	Love
Lynch	Marshall	Mayfield	McCaherty	McGaugh
Messenger	Miller	Moon	Morris	Muntzel
Neely	Neth	Parkinson	Pfausch	Phillips
Pike	Pogue	Redmon	Rehder	Reiboldt
Remole	Rhoads	Richardson	Riddle	Roorda
Ross	Rowden	Rowland	Scharnhorst	Schatz
Schieber	Schieffer	Shull	Shumake	Smith 120
Solon	Sommer	Spencer	Stream	Swan
Thomson	Torpey	Walker	White	Wieland
Wilson	Wood	Mr Speaker		

NOES: 043

Anders	Burns	Butler	Carpenter	Colona
Conway 10	Curtis	Dunn	Ellinger	Ellington
Englund	Frame	Gardner	Hubbard	Hummel
Kelly 45	Kirkton	Kratky	LaFaver	McCann Beatty
McDonald	McManus	McNeil	Meredith	Mims
Mitten	Montecillo	Morgan	Newman	Nichols
Norr	Otto	Pace	Peters	Pierson
Rizzo	Runions	Schupp	Swearingen	Walton Gray
Webb	Webber	Wright		

PRESENT: 003

Black	English	McKenna
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ABSENT WITH LEAVE: 004

May	Molendorp	Smith 85	Zerr
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## PERFECTION OF HOUSE JOINT RESOLUTION

**HCS HJR 26**, relating to parental rights, was taken up by Representative Richardson.

Representative Richardson offered **House Amendment No. 1**.

### *House Amendment No. 1*

AMEND House Committee Substitute for House Joint Resolution No. 26, Page 2, Section 35, Line 33, by deleting all of said line and inserting in lieu thereof the following:

**"6. Nothing contained in this section shall be construed to empower a parent to enroll his or her minor child in a public school outside of the area of that child's residence, except as otherwise provided by law.**

**7. As used in this section, the following terms shall mean:"**; and

Further amend said title, enacting clause and intersectional references accordingly.

On motion of Representative Richardson, **House Amendment No. 1** was adopted.

On motion of Representative Richardson, **HCS HJR 26, as amended**, was adopted.

On motion of Representative Richardson, **HCS HJR 26, as amended**, was ordered perfected and printed.

## PERFECTION OF HOUSE BILL

**HCS HB 543**, relating to the Office of the State Auditor, was taken up by Representative Hoskins.

Representative Hoskins offered **House Amendment No. 1**.

### *House Amendment No. 1*

AMEND House Committee Substitute for House Bill No. 543, Page 1, Section 29.005, Line 10, by deleting the second occurrence of the word "**and**" on said line and inserting in lieu thereof the word "**as**"; and

Further amend said bill, Page 3, Section 29.005, Line 52, by deleting the phrase "**but not be limited to**" on said line and inserting in lieu thereof the phrase "**, but not be limited to,**"; and

Further amend said bill and page, Section 29.185, Line 6, by deleting the word "**types**" on said line and inserting in lieu thereof the word "**type**"; and

Further amend said bill, Page 6, Section 29.200, Line 91, by deleting the word "**some**" on said line and inserting in lieu thereof the word "**a**"; and

Further amend said bill and page, Section 29.216, Line 2, by deleting the word "**systems**" on said line and inserting in lieu thereof the word "**system**"; and

Further amend said bill, Page 9, Section 29.235, Line 20, by deleting the word "**comply**" on said line and inserting in lieu thereof the word "**complies**"; and

Further amend said bill, Page 10, Section 29.235, Line 49, by deleting the word "**representative**" on said line and inserting in lieu thereof the word "**representatives**"; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

On motion of Representative Hoskins, **House Amendment No. 1** was adopted.

Representative Guernsey offered **House Amendment No. 2**.

*House Amendment No. 2*

AMEND House Committee Substitute for House Bill No. 543, Page 23, Section 169.020, Line 131, by inserting immediately after said line the following:

**"Section 1. The state auditor may have the power to audit a community action agency as defined under 10 C.F.R. 440.3. The term "community action agency" as used in this section shall mean a private corporation or public agency established under the Economic Opportunity Act of 1964, Pub. L. 88-452, which is authorized to administer funds received from federal, state, local, or private funding entities to assess, design, operate, finance, and oversee antipoverty programs.";** and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

On motion of Representative Guernsey, **House Amendment No. 2** was adopted.

Representative Kelly (45) offered **House Amendment No. 3**.

*House Amendment No. 3*

AMEND House Committee Substitute for House Bill No. 543, Page 11, Section 29.351, Lines 1-3, by deleting all of said lines and inserting in lieu thereof, the following:

**"[21.760.] 29.351. 1. During the regular legislative session which convenes in an odd-numbered year, the general assembly shall, by concurrent resolution,";** and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

On motion of Representative Kelly (45), **House Amendment No. 3** was adopted.

On motion of Representative Hoskins, **HCS HB 543, as amended**, was adopted.

On motion of Representative Hoskins, **HCS HB 543, as amended**, was ordered perfected and printed.

On motion of Representative Diehl, the House recessed until 2:00 p.m.

**AFTERNOON SESSION**

The hour of recess having expired, the House was called to order by Representative Scharnhorst.

## PERFECTION OF HOUSE BILLS

**HCS HB 372**, relating to the establishment of the Business Premises Safety Act, was taken up by Representative Cox.

On motion of Representative Cox, **HCS HB 372** was adopted.

On motion of Representative Cox, **HCS HB 372** was ordered perfected and printed.

**HB 421**, relating to legal tender, was taken up by Representative Curtman.

Representative Burlison offered **House Amendment No. 1**.

### *House Amendment No. 1*

AMEND House Bill No. 421, Page 1, Section 143.111, Line 10, by inserting after all of said section the following:

"143.451. 1. Missouri taxable income of a corporation shall include all income derived from sources within this state.

2. A corporation described in subdivision (1) of subsection 1 of section 143.441 shall include in its Missouri taxable income all income from sources within this state, including that from the transaction of business in this state and that from the transaction of business partly done in this state and partly done in another state or states. However:

(1) Where income results from a transaction partially in this state and partially in another state or states, and income and deductions of the portion in the state cannot be segregated, then such portions of income and deductions shall be allocated in this state and the other state or states as will distribute to this state a portion based upon the portion of the transaction in this state and the portion in such other state or states.

(2) The taxpayer may elect to compute the portion of income from all sources in this state in the following manner, **or the manner set forth in subdivision (3) of this subsection**:

(a) The income from all sources shall be determined as provided, excluding therefrom the figures for the operation of any bridge connecting this state with another state.

(b) The amount of sales which are transactions wholly in this state shall be added to one-half of the amount of sales which are transactions partly within this state and partly without this state, and the amount thus obtained shall be divided by the total sales or in cases where sales do not express the volume of business, the amount of business transacted wholly in this state shall be added to one-half of the amount of business transacted partly in this state and partly outside this state and the amount thus obtained shall be divided by the total amount of business transacted, and the net income shall be multiplied by the fraction thus obtained, to determine the proportion of income to be used to arrive at the amount of Missouri taxable income. The investment or reinvestment of its own funds, or sale of any such investment or reinvestment, shall not be considered as sales or other business transacted for the determination of said fraction.

[(3)] **(c)** For the purposes of this [section] **subdivision**, a transaction involving the sale of tangible property is:

[(a)] **a.** "Wholly in this state" if both the seller's shipping point and the purchaser's destination point are in this state;

[(b)] **b.** "Partly within this state and partly without this state" if the seller's shipping point is in this state and the purchaser's destination point is outside this state, or the seller's shipping point is outside this state and the purchaser's destination point is in this state;

[(c)] **c.** Not "wholly in this state" or not "partly within this state and partly without this state" only if both the seller's shipping point and the purchaser's destination point are outside this state[;].

(d) For purposes of this subdivision:

**a.** The purchaser's destination point shall be determined without regard to the FOB point or other conditions of the sale[;]; and

**b.** The seller's shipping point is determined without regard to the location of the seller's principle office or place of business.

**(3) The taxpayer may elect to compute the portion of income from all sources in this state in the following manner:**

**(a) The income from all sources shall be determined as provided, excluding therefrom the figures for the operation of any bridge connecting this state with another state;**

**(b) The amount of sales which are transactions in this state shall be divided by the total sales, and the net income shall be multiplied by the fraction thus obtained, to determine the proportion of income to be used to arrive at the amount of Missouri taxable income. The investment or reinvestment of its own funds, or sale of any such investment or reinvestment, shall not be considered as sales or other business transacted for the determination of said fraction;**

**(c) For the purposes of this subdivision, a transaction involving the sale of tangible property is:**

**a. "In this state" if the purchaser's destination point is in this state;**

**b. Not "in this state" if the purchaser's destination point is outside this state;**

**(d) For purposes of this subdivision, the purchaser's destination point shall be determined without regard to the FOB point or other conditions of the sale and shall not be in this state if the purchaser received the tangible personal property from the seller in this state for delivery to the purchaser's location outside this state.**

(4) For purposes of this subsection, the following words shall, unless the context otherwise requires, have the following meaning:

(a) "Administration services" include, but are not limited to, clerical, fund or shareholder accounting, participant record keeping, transfer agency, bookkeeping, data processing, custodial, internal auditing, legal and tax services performed for an investment company;

(b) "Affiliate", the meaning as set forth in 15 U.S.C. Section 80a-2(a)(3)(C), as may be amended from time to time;

(c) "Distribution services" include, but are not limited to, the services of advertising, servicing, marketing, underwriting or selling shares of an investment company, but, in the case of advertising, servicing or marketing shares, only where such service is performed by a person who is, or in the case of a closed end company, was, either engaged in the services of underwriting or selling investment company shares or affiliated with a person that is engaged in the service of underwriting or selling investment company shares. In the case of an open end company, such service of underwriting or selling shares must be performed pursuant to a contract entered into pursuant to 15 U.S.C. Section 80a-15(b), as from time to time amended;

(d) "Investment company", any person registered under the federal Investment Company Act of 1940, as amended from time to time, (the act) or a company which would be required to register as an investment company under the act except that such person is exempt to such registration pursuant to Section 80a-3(c)(1) of the act;

(e) "Investment funds service corporation" includes any corporation or S corporation doing business in the state which derives more than fifty percent of its gross income in the ordinary course of business from the provision directly or indirectly of management, distribution or administration services to or on behalf of an investment company or from trustees, sponsors and participants of employee benefit plans which have accounts in an investment company. An investment funds service corporation shall include any corporation or S corporation providing management services as an investment advisory firm registered under Section 203 of the Investment Advisors Act of 1940, as amended from time to time, regardless of the percentage of gross revenues consisting of fees from management services provided to or on behalf of an investment company;

(f) "Management services" include but are not limited to, the rendering of investment advice directly or indirectly to an investment company making determinations as to when sales and purchases of securities are to be made on behalf of the investment company, or the selling or purchasing of securities constituting assets of an investment company, and related activities, but only where such activity or activities are performed:

a. Pursuant to a contract with the investment company entered into pursuant to 15 U.S.C. Section 80a-15(a), as from time to time amended;

b. For a person that has entered into such contract with the investment company; or

c. For a person that is affiliated with a person that has entered into such contract with an investment company;

(g) "Qualifying sales", gross income derived from the provision directly or indirectly of management, distribution or administration services to or on behalf of an investment company or from trustees, sponsors and participants of employee benefit plans which have accounts in an investment company. For purposes of this section, gross income is defined as that amount of income earned from qualifying sources without deduction of expenses related to the generation of such income;

(h) "Residence", presumptively the fund shareholder's mailing address on the records of the investment company. If, however, the investment company or the investment funds service corporation has actual knowledge that the fund shareholder's primary residence or principal place of business is different than the fund shareholder's mailing address such presumption shall not control. To the extent an investment funds service corporation does not have access

to the records of the investment company, the investment funds service corporation may employ reasonable methods to determine the investment company fund shareholder's residence.

(5) Notwithstanding other provisions of law to the contrary, qualifying sales of an investment funds service corporation, or S corporation, shall be considered wholly in this state only to the extent that the fund shareholders of the investment companies, to which the investment funds service corporation, or S corporation, provide services, are resided in this state. Wholly in this state qualifying sales of an investment funds service corporation, or S corporation, shall be determined as follows:

(a) By multiplying the investment funds service corporation's total dollar amount of qualifying sales from services provided to each investment company by a fraction, the numerator of which shall be the average of the number of shares owned by the investment company's fund shareholders resided in this state at the beginning of and at the end of the investment company's taxable year that ends with or within the investment funds service corporation's taxable year, and the denominator of which shall be the average of the number of shares owned by the investment company's fund shareholders everywhere at the beginning of and at the end of the investment company's taxable year that ends with or within the investment funds service corporation's taxable year;

(b) A separate computation shall be made to determine the wholly in this state qualifying sales from each investment company. The qualifying sales for each investment company shall be multiplied by the respective percentage of each fund, as calculated pursuant to paragraph (a) of this subdivision. The product of this equation shall result in the wholly in this state qualifying sales. The qualifying sales for each investment company which are not wholly in this state will be considered wholly without this state;

(c) To the extent an investment funds service corporation has sales which are not qualifying sales, those nonqualified sales shall be apportioned to this state based on the methodology utilized by the investment funds service corporation without regard to this subdivision.

3. Any corporation described in subdivision (1) of subsection 1 of section 143.441 organized in this state or granted a permit to operate in this state for the transportation or care of passengers shall report its gross earnings within the state on intrastate business and shall also report its gross earnings on all interstate business done in this state which report shall be subject to inquiry for the purpose of determining the amount of income to be included in Missouri taxable income. The previous sentence shall not apply to a railroad.

4. A corporation described in subdivision (2) of subsection 1 of section 143.441 shall include in its Missouri taxable income all income arising from all sources in this state and all income from each transportation service wholly within this state, from each service where the only lines of such corporation used are those in this state, and such proportion of revenue from each service where the facilities of such corporation in this state and in another state or states are used, as the mileage used over the lines of such corporation in the state shall bear to the total mileage used over the lines of such corporation. The taxpayer may elect to compute the portion of income from all sources within this state in the following manner:

(1) The income from all sources shall be determined as provided;

(2) The amount of investment of such corporation on December thirty-first of each year in this state in fixed transportation facilities, real estate and improvements, plus the value on December thirty-first of each year of any fixed transportation facilities, real estate and improvements in this state leased from any other railroad shall be divided by the sum of the total amount of investment of such corporation on December thirty-first of each year in fixed transportation facilities, real estate and improvements, plus the value on December thirty-first of each year, of any fixed transportation facilities, real estate and improvements leased from any other railroad. Where any fixed transportation facilities, real estate or improvements are leased by more than one railroad, such portion of the value shall be used by each railroad as the rental paid by each shall bear to the rental paid by all lessees. The income shall be multiplied by the fraction thus obtained to determine the proportion to be used to arrive at the amount of Missouri taxable income.

5. A corporation described in subdivision (3) of subsection 1 of section 143.441 shall include in its Missouri taxable income one-half of the net income from the operation of a bridge between this and another state. If any such bridge is owned or operated by a railroad corporation or corporations, or by a corporation owning a railroad corporation using such bridge, then the figures for operation of such bridge may be included in the return of such railroad or railroads; or if such bridge is owned or operated by any other corporation which may now or hereafter be required to file an income tax return, one-half of the income or loss to such corporation from such bridge may be included in such return by adding or subtracting same to or from another net income or loss shown by the return.

6. A corporation described in subdivision (4) of subsection 1 of section 143.441 shall include in its Missouri taxable income all income arising from all sources within this state. Income shall include revenue from each telephonic or telegraphic service rendered wholly within this state; from each service rendered for which the only facilities of such corporation used are those in this state; and from each service rendered over the facilities of such corporation in this state and in other state or states, such proportion of such revenue as the mileage involved in this state shall bear to the total

mileage involved over the lines of said company in all states. The taxpayer may elect to compute the portion of income from all sources within this state in the following manner:

(1) The income from all sources shall be determined as provided;

(2) The amount of investment of such corporation on December thirty-first of each year in this state in telephonic or telegraphic facilities, real estate and improvements thereon, shall be divided by the amount of the total investment of such corporation on December thirty-first of each year in telephonic or telegraphic facilities, real estate and improvements. The income of the taxpayer shall be multiplied by fraction thus obtained to determine the proportion to be used to arrive at the amount of Missouri taxable income.

7. From the income determined in subsections 2, 3, 4, 5 and 6 of this section to be from all sources within this state shall be deducted such of the deductions for expenses in determining Missouri taxable income as were incurred in this state to produce such income and all losses actually sustained in this state in the business of the corporation.

8. If a corporation derives only part of its income from sources within Missouri, its Missouri taxable income shall only reflect the effect of the following listed deductions to the extent applicable to Missouri. The deductions are: (a) its deduction for federal income taxes pursuant to section 143.171, and (b) the effect on Missouri taxable income of the deduction for net operating loss allowed by Section 172 of the Internal Revenue Code. The extent applicable to Missouri shall be determined by multiplying the amount that would otherwise affect Missouri taxable income by the ratio for the year of the Missouri taxable income of the corporation for the year divided by the Missouri taxable income for the year as though the corporation had derived all of its income from sources within Missouri. For the purpose of the preceding sentence, Missouri taxable income shall not reflect the listed deductions.

9. Any investment funds service corporation organized as a corporation or S corporation which has any shareholders resided in this state shall be subject to Missouri income tax as provided in this chapter."; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

Representative Roorda raised a point of order that **House Amendment No. 1** is not germane to the bill.

Representative Scharnhorst requested a parliamentary ruling.

The Parliamentary Committee ruled the point of order not well taken.

Representative Burlison moved that **House Amendment No. 1** be adopted.

Which motion was defeated.

On motion of Representative Curtman, **HB 421** was ordered perfected and printed.

**HCS HB 541**, relating to juvenile offenders, was taken up by Representative Hicks.

Speaker Jones resumed the Chair.

On motion of Representative Hicks, **HCS HB 541** was adopted.

On motion of Representative Hicks, **HCS HB 541** was ordered perfected and printed.

**HCS HB 986**, relating to MO HealthNet benefits, was taken up by Representative Barnes.

Representative Barnes offered **House Amendment No. 1**.

*House Amendment No. 1*

AMEND House Committee Substitute for House Bill No. 986, Page 11, Section 208.993, Lines 1 through 36, by deleting all of said section and lines and inserting in lieu thereof the following:

"208.993. 1. There is hereby established a joint committee of the general assembly, which shall be known as the "Joint Committee on Medicaid Transformation".

2. The joint committee shall be composed of twelve members. Six members shall be from the senate, with four members appointed by the president pro tem of the senate and two members appointed by the minority leader of the senate. Six members shall be from the house of representatives, with four members appointed by the speaker of the house of representatives and two members appointed by the minority leader of the house of representatives. All members of the Missouri general assembly not appointed in this subsection may be nonvoting, ex officio members of the joint committee. A majority of the appointed members of the joint committee shall constitute a quorum.

3. The joint committee shall meet within thirty days after it becomes effective and organize by selecting a chairperson and a vice chairperson, one of whom shall be a member of the senate and the other a member of the house of representatives. The joint committee may meet at locations other than Jefferson City when the committee deems it necessary.

4. The committee shall prepare a final report together with its recommendations for any legislative action deemed necessary for submission to the speaker of the house of representatives, president pro tem of the senate, and the governor by December 31, 2013. The report shall study and make recommendations regarding improvements that can be made to the state medical assistance health care delivery system in this state and shall examine the following:

- (1) More efficient and cost-effective ways to provide coverage for MO HealthNet participants;
- (2) How coverage for MO HealthNet participants can resemble that of commercially available health plans while complying with federal Medicaid requirements;
- (3) Possibilities for promoting healthy behaviors by encouraging patients to take ownership of their health care and seek early preventative care;
- (4) The best manner in which to provide incentives, including a shared risk and savings to health plans and providers to encourage cost-effective delivery of care; and
- (5) Ways that individuals who currently receive medical care coverage through the MO HealthNet program can transition to obtaining their health coverage through the private sector.

5. The committee shall hold a minimum of one meeting at three urban regions in the state of Missouri to seek public input. The committee may hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence as the committee considers advisable to carry out the provisions of this section.

6. The joint committee may solicit input and information necessary to fulfill its obligations from the general public, any state department, state agency, political subdivision of this state, or anyone else it deems advisable.

7. Members of the committee and subcommittee shall serve without compensation but may be reimbursed for necessary expenses pertaining to the duties of the committee.

8. The staffs of senate research, the joint committee on legislative research, and house research may provide such legal, research, clerical, technical, and bill drafting services as the joint committee may require in the performance of its duties.

9. Any actual and necessary expenses of the joint committee, its members, and any staff assigned to the joint committee incurred by the joint committee shall be paid by the joint contingent fund.

10. The provisions of this section shall expire on January 1, 2014."; and

Further amend said bill, Page 14, Section 208.995, Line 67, by inserting after all of said section and line the following:

"Section B. Because immediate action is necessary to ensure access to health care the enactment of section 208.993 of section A of this act is deemed necessary for the immediate preservation of the public health, welfare, peace, and safety, and is hereby declared to be an emergency act within the meaning of the constitution, and the enactment of section 208.993 of section A of this act shall be in full force and effect as of May 29, 2013."; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

On motion of Representative Barnes, **House Amendment No. 1** was adopted.

Representative Barnes offered **House Amendment No. 2**.

*House Amendment No. 2*

AMEND House Committee Substitute for House Bill No. 986, Page 8, Section 208.151, Line 170, by deleting all of said line and inserting in lieu thereof the following:

**"2. Beginning July 1, 2014, eligibility for MO HealthNet benefits shall be amended as follows:**

**(1) Persons eligible under subdivisions (3) and (25) of subsection 1 of this section shall no longer be eligible for MO HealthNet benefits as provided in this section, except for those persons eligible under subdivision (25) who do not have access to employer-sponsored health insurance coverage or subsidized insurance coverage through an exchange at any point after diagnosis, whose income is above one hundred percent of the federal poverty level;**

**(2) Pregnant women who are eligible under subdivision (12) of subsection 1 of this section, with income that does not exceed one hundred eighty-five percent of the federal poverty level shall be eligible for MO HealthNet benefits. Pregnant women with income between one hundred thirty-three and one hundred eighty-five percent of the federal poverty level may, at the discretion of the department, receive MO HealthNet benefits in the form of a premium subsidy as established by rule of the department in order for them to enroll in a plan offered by a health care exchange, whether federally facilitated, state based, or operated on a partnership basis. The department may direct the pregnant women to choose an exchange plan and the department may provide a premium subsidy equal to the amount of the percentage of income required for premium payments or coinsurance to the pregnant women by federal rule. The department may encourage and incentivize eligible pregnant women to receive MO HealthNet benefits through an exchange plan;**

**(3) Beginning October 1, 2019, infants under one year of age who are eligible under subdivision (12) of subsection 1 of this section and whose family income does not exceed one hundred eighty-five percent of the federal poverty level as established and amended by the federal Department of Health and Human Services or its successor agency shall be eligible for MO HealthNet benefits. An infant under one year of age born to a woman who was covered under subdivision (2) of this subsection with family income between one hundred thirty-three and one hundred eighty-five percent of the federal poverty level shall only be eligible if, in addition to the other requirements, his or her parents do not have access to health insurance coverage for the child through a health insurance plan in a health care exchange, whether federally facilitated, state based, or operated on a partnership basis, and the parents are not eligible for a premium subsidy for the child or family through such exchange because the parents have been determined to have access to affordable health insurance as defined by the exchange;**

**(4) The changes in eligibility under subdivisions (1) to (3) of this subsection shall not take place unless and until:**

**(a) There are health insurance premium tax credits under Section 36B of the Internal Revenue Code of 1986, as amended, available to persons through the purchase of a health insurance plan in a health care exchange, whether federally facilitated, state based, or operated on a partnership basis. The director of the department of revenue shall certify to the director of the department that health insurance premium tax credits are available, and the director of the department shall notify the revisor of statutes;**

**(b) Eligibility of persons set out in subsection 3 of section 208.995 has been approved by the federal Department of Health and Human Services, has been implemented by the department, and notice of implementation has been provided to the revisor of statutes; and**



**(c) The federal Department of Health and Human Services grants any necessary waivers and state plan amendments to implement this subsection, federal funding is received for the premium subsidies to be paid, and notice has been provided to the revisor of statutes.**

3. Rules and regulations to implement this section shall be promulgated in accordance"; and

Further amend said bill and section, Pages 8 to 9, Lines 179 to 221, by renumbering all of the following subsections accordingly; and

Further amend said bill and section, Page 9, Line 221, by inserting after all of said line the following:

**"8. The department shall notify any potential exchange-eligible participant who may be eligible for services due to spenddown that the participant may qualify for more cost-effective private insurance and premium tax credits under Section 36B of the Internal Revenue Code of 1986, as amended, available through the purchase of a health insurance plan in a health care exchange, whether federally facilitated, state based, or operated on a partnership basis and the benefits that would be potentially covered under such insurance.**

**208.186. 1. Any person participating in the MO HealthNet program who has pled guilty to or been found guilty of a crime involving alcohol or a controlled substance or any crime in which alcohol or substance abuse was, in the opinion of the court, a contributing factor to the person's commission of the crime shall be required to obtain an assessment by a treatment provider approved by the department of mental health to determine the need for services. Recommendations of the treatment provider may be used by the court in sentencing.**

**2. Any person participating in the MO HealthNet program who is a parent of a child subject to proceedings in juvenile court under subsection 1 or 2 of section 211.031, whose misuse of controlled substances or alcohol is found to be a significant, contributing factor to the reason the child was adjudicated, shall be required to obtain an assessment by a treatment provider approved by the department of mental health to determine the need for services. Recommendations of the treatment provider shall be included in the child's permanency plan. The court may order the parent or guardian to successfully complete treatment before the child is reunified with the parent or guardian.**

**3. The MO HealthNet division shall certify a MO HealthNet participant's enrollment in MO HealthNet if requested by the court under this section. A letter signed by the director of the MO HealthNet division or his or her designee or the family support division certifying that the individual is a participant in the MO HealthNet program shall be prima facie evidence of such participation and shall be admissible into evidence without further foundation for that purpose. The letter may specify additional information such as anticipated dates of coverage as may be deemed necessary by the department.**

208.631. 1. Notwithstanding any other provision of law to the contrary, the MO HealthNet division shall establish a program to pay for health care for uninsured children. Coverage pursuant to sections 208.631 to 208.659 is subject to appropriation. The provisions of sections 208.631 to 208.659, health care for uninsured children, shall be void and of no effect if there are no funds of the United States appropriated by Congress to be provided to the state on the basis of a state plan approved by the federal government under the federal Social Security Act. If funds are appropriated by the United States Congress, the department of social services is authorized to manage the state children's health insurance program (CHIP) allotment in order to ensure that the state receives maximum federal financial participation. Children in households with incomes up to one hundred fifty percent of the federal poverty level may meet all Title XIX program guidelines as required by the Centers for Medicare and Medicaid Services. Children in households with incomes of one hundred fifty percent to three hundred percent of the federal poverty level shall continue to be eligible as they were and receive services as they did on June 30, 2007, unless changed by the Missouri general assembly.

2. For the purposes of sections 208.631 to 208.659, "children" are persons up to nineteen years of age. "Uninsured children" are persons up to nineteen years of age who are emancipated and do not have access to affordable employer-subsidized health care insurance or other health care coverage or persons whose parent or guardian have not had access to affordable employer-subsidized health care insurance or other health care coverage for their children for six months prior to application, are residents of the state of Missouri, and have parents or guardians who meet the requirements in section 208.636. A child who is eligible for MO HealthNet benefits as authorized in section 208.151 is not uninsured for the purposes of sections 208.631 to 208.659.

**3. Beginning October 1, 2019, a child eligible under sections 208.631 to 208.658 shall only remain eligible if, in addition to the other requirements, his or her parents do not have access to health insurance coverage for the child through their employment or through a health insurance plan in a health care exchange, whether federally facilitated, state based, or operated on a partnership basis because the parents are not eligible for a**

premium subsidy for the child or family through such exchange. This subsection shall not go into effect unless and until, for a six-month period preceding the additional requirements, there are health insurance premium tax credits available for children and family coverage under Section 36B of the Internal Revenue Code of 1986, as amended, available to persons through the purchase of a health insurance plan in a health care exchange, whether federally facilitated, state based, or operated on a partnership basis, which have been in place for a six-month period.

4. The department shall inform participants six months prior to coverage being discontinued under subsection 3 of this section as to the possibility of insurance coverage through the purchase of a subsidized health insurance plan available through a health care exchange.

208.659. 1. The MO HealthNet division shall revise the eligibility requirements for the uninsured women's health program, as established in 13 CSR Section 70-4.090, to include women who are at least eighteen years of age and with a net family income of at or below one hundred eighty-five percent of the federal poverty level. In order to be eligible for such program, the applicant shall not have assets in excess of two hundred and fifty thousand dollars, nor shall the applicant have access to employer-sponsored health insurance. Such change in eligibility requirements shall not result in any change in services provided under the program.

2. Beginning July 1, 2014, the provisions of this section shall no longer be in effect. Such change in eligibility shall not take place unless and until:

(1) For a six-month period preceding the discontinuance of benefits under this subsection there are health insurance premium tax credits available for children and family coverage under Section 36B of the Internal Revenue Code of 1986, as amended, available to persons through the purchase of a health insurance plan in a health care exchange, whether federally facilitated, state based, or operated on a partnership basis, which have been in place for a six-month period, and notice has been provided to the revisor of statutes; and

(2) Eligibility of persons set out in subsection 3 of section 208.995 has received any necessary approvals from the federal Department of Health and Human Services, has been implemented by the department, and notice has been provided to the revisor of statutes.

3. The department shall inform participants six months prior to coverage being discontinued under subsection 2 of this section as to the possibility of insurance coverage through the purchase of a subsidized health insurance plan available through a health care exchange.

208.661. 1. The department shall develop incentive programs, submit state plan amendments and apply for necessary waivers to permit rural health clinics, federally-qualified health centers, or other primary care practices to co-locate on the property of public elementary and secondary schools with fifty percent or more students who are eligible for free or reduced price lunch.

2. No school-based health care clinic established under this section shall perform or refer for abortion services, or provide or refer for contraceptive drugs or devices.

3. The consent of a parent or legal guardian shall be required before a minor may receive health care services under this section.

4. The provisions of this section shall be null and void unless and until any waivers necessary to the implementation of subsections 2 and 3 of this section are granted by the federal government.

208.662. 1. There is hereby established within the department of social services the "Show-Me Healthy Babies Program" as a separate children's health insurance program (CHIP) for any low-income, unborn child, neither of whose parents have access to affordable health insurance coverage for the unborn child through his or her employment or through a health insurance plan in a health care exchange, whether federally facilitated, state based, or operated on a partnership basis. The program shall be established under the authority of Title XXI of the federal Social Security Act, the State Children's Health Insurance Program, as amended, and 42 CFR 457.1.

2. For an unborn child to be enrolled in the show-me healthy babies program, his or her mother shall not be eligible for coverage under Title XIX of the federal Social Security Act, the Medicaid program, as it is administered by the state, and shall not have access to affordable employer-subsidized health care insurance or other affordable health care coverage that includes coverage for the unborn child including any health insurance plan in a health care exchange, whether federally facilitated, state based, or operated on a partnership basis.

3. Coverage for an unborn child enrolled in the show-me healthy babies program shall include all prenatal care and pregnancy-related services that benefit the health of the unborn child and that promote healthy labor, delivery, and birth, as determined by regulations of the department. Coverage shall not include services

that are solely for the benefit of the pregnant mother, that are unrelated to maintaining or promoting a healthy pregnancy, and that provide no benefit to the unborn child.

4. There shall be no waiting period before an unborn child may be enrolled in the show-me healthy babies program. In accordance with the definition of child in 42 CFR 457.10, coverage shall include the period from conception to birth. The department shall develop a presumptive eligibility procedure for enrolling an unborn child.

5. Coverage for the child shall continue for up to one year after birth, unless otherwise prohibited by law or unless otherwise limited by the general assembly through appropriations.

6. Pregnancy-related and postpartum coverage for the mother shall begin on the day the pregnancy ends and extend through the last day of the month that includes the sixtieth day after the pregnancy ends, unless otherwise prohibited by law or unless otherwise limited by the general assembly through appropriations. Coverage for the mother shall be limited to pregnancy-related and postpartum care.

7. Nothing in this section shall be construed to prohibit an unborn child from being enrolled in the show-me healthy babies program at the same time his or her mother is enrolled in MO HealthNet, the children's health insurance program (CHIP), Medicare, or other governmental or government-subsidized health care program. The department shall ensure that there is no duplication of payments for services for an unborn child enrolled in the show-me healthy babies program that are payable under a governmental or nongovernmental health care program for services to an eligible pregnant woman.

8. The department may provide coverage for an unborn child enrolled in the show-me healthy babies program through:

(1) Direct coverage whereby the state pays health care providers directly or by contracting with a managed care organization or with a group or individual health insurance provider;

(2) A premium assistance program whereby the state assists in payment of the premiums, co-payments, coinsurance, or deductibles for a person who is eligible for health coverage through an employer, former employer, labor union, credit union, church, spouse, other organizations, other individuals, or through an individual health insurance policy that includes coverage for the unborn child, when such person needs assistance in paying such premiums, co-payments, coinsurance, or deductibles;

(3) A combination of direct coverage, such as when the unborn child is first enrolled, and premium assistance, such as after the child is born; or

(4) Any other similar arrangement whereby there:

(a) Are lower program costs without sacrificing health care coverage for the unborn child or the child up to one year after birth;

(b) Are greater covered services for the unborn child or the child up to one year after birth;

(c) Is a similar cost for coverage of the participant and also will provide coverage for siblings or other family members; or

(d) Will be an ability for the child to transition more easily to nongovernment or less government-subsidized group or individual health insurance coverage after the child is no longer enrolled in the show-me healthy babies program.

9. The department shall provide information about the show-me healthy babies program to maternity homes as defined in section 135.600, pregnancy resource centers as defined in section 135.630, and other similar agencies and programs in the state that assist unborn children and their mothers. The department shall consider allowing such agencies and programs to assist in the enrollment of unborn children in the program and in making determinations about presumptive eligibility.

10. Within sixty days after the effective date of this section, the department shall submit a state plan amendment or seek any necessary waivers from the federal Department of Health and Human Services requesting approval for the show-me healthy babies program.

11. At least annually, the department shall prepare and submit a report to the governor, the speaker of the house of representatives, and the president pro tem of the senate analyzing the cost savings and benefits, if any, to the state, counties, local communities, school districts, law enforcement agencies, health care providers, employers, other public and private entities, and persons by enrolling unborn children in the show-me healthy babies program. The analysis of cost savings and benefits, if any, shall include but not be limited to:

(1) The higher federal matching rate for having an unborn child enrolled in the show-me healthy babies program versus the lower federal matching rate for a pregnant woman being enrolled in MO HealthNet or other federal programs;

(2) The efficacy in providing services through managed care organizations, group or individual health insurance providers or premium assistance, or through other nontraditional arrangements of providing health care;

(3) The change in the proportion of unborn children who receive care in the first trimester of pregnancy due to a lack of waiting periods, presumptive eligibility, or removal of other barriers, and the attendant decrease in health problems and other problems for unborn children and women throughout pregnancy; at labor, delivery, and birth; and during infancy and childhood;

(4) The change in healthy behaviors by pregnant women, such as the cessation of the use of tobacco, alcohol, illicit drugs, or other harmful practices, and the attendant short-term and long-term decrease in birth defects; poor motor skills; vision, speech, and hearing problems; breathing and respiratory problems; feeding and digestive problems; and other physical, mental, educational, and behavioral problems; and

(5) The change in infant and maternal mortality, preterm births and low birth weight babies and the attendant decrease in short-term and long-term medical and other interventions.

12. The show-me healthy babies program shall not be deemed an entitlement program, but instead shall be subject to a federal allotment or other federal appropriations and matching state appropriations.

13. Nothing in this section shall be construed as obligating the state to continue the show-me healthy babies program if the allotment or payments from the federal government end or are not sufficient for the program to operate, or if the general assembly does not appropriate funds for the program.

14. Nothing in this section shall be construed as expanding MO HealthNet or fulfilling a mandate imposed by the federal government on the state."; and

Further amend said bill and page, Section 208.990, Line 1, by deleting all of said line and inserting in lieu thereof the following:

"208.990. 1. The provisions of sections 208.146, 208.151, 208.186, 208.631, 208.659, 208.661, 208.662, 208.990, 208.995, 208.997, 208.998, 208.999, 376.961, 376.962, 376.964, 376.966, 376.968, 376.970, 376.973, 1 and 2 shall be known and may be cited as the "Show-Me Transformation Act".

2. Notwithstanding any other provisions of law to the contrary, to be"; and

Further amend said bill and section, Page 10, Lines 14 to 33, by renumbering all of the following subsections accordingly; and

Further amend said bill and section, Page 11, Line 48, by inserting after all of said line the following:

"7. The MO HealthNet program shall not provide MO HealthNet coverage under subsection 3 of section 208.995 to a parent or other caretaker relative living with a dependent child unless the child is receiving benefits under the MO HealthNet program, the Children's Health Insurance Program (CHIP) under 42 CFR Chapter IV, Subchapter D, or otherwise is enrolled in minimum essential coverage as defined in 42 CFR 435.4.

8. (1) The provisions of the show-me transformation act shall be null and void unless and until:

(a) There are health insurance premium tax credits under Section 36B of the Internal Revenue Code of 1986, as amended, available to persons through the purchase of a health insurance plan in a health care exchange, whether federally facilitated, state based, or operated on a partnership basis;

(b) Eligibility of persons set out in subsection 3 of section 208.995 has been approved by the federal Department of Health and Human Services and has been implemented by the department;

(c) The federal Department of Health and Human Services grants the required waivers, state plan amendments, and enhanced federal funding rate for persons newly eligible under subsection 3 of section 208.995 whereby the federal government agrees to pay the percentages specified in Section 2001 of PL 111-148, as that section existed on March 23, 2010. The provisions of subsections 3 to 8 of section 208.995 shall not be implemented unless such waivers and enhanced federal funding rates are granted by the federal government;

(2) If the federal funds at the disposal of the state shall at any time become less than ninety percent of the funds necessary or are not appropriated to pay the percentages specified in Section 2001 of Public Law 111-148, as that section existed on March 23, 2010, the provisions of this act shall be null and void. If the director is notified that federal funding will fall below ninety percent of the funds necessary, participants will be notified as soon as practicable that the benefits they receive will terminate on the date that federal funding falls below ninety percent;

(3) The provisions of subdivisions (1) and (2) of this subsection shall not apply to: the MO HealthNet transformation task force under section 2; subdivision (26) of subsection 1 of section 208.151; subsections 2, 3, 4, 5, and 6 of this section; and subdivision (2) of subsection 2 of section 208.995.

9. As MO HealthNet or other expenditures are reduced or savings achieved pursuant to the show-me transformation act, the portion of the state share of those expenditures that is funded by provider taxes described

in 42 CFR 433.56 shall be credited or otherwise shall accrue to the depository account in which the proceeds of such a provider tax are deposited."; and

Further amend said bill, Page 12, Section 208.995, Lines 1 and 2, by deleting all of said lines and inserting in lieu thereof the following:

**"208.995. 1. For purposes of sections 208.990 to 208.998, the following terms mean:**

**(1) "Caretaker relative", a relative of a dependent child by blood, adoption, or marriage with whom the child is living, who assumes primary responsibility for the child's care, which may, but is not required to, be indicated by claiming the child as a tax dependent for federal income tax purposes, and who is one of the following:**

**(a) The child's father, mother, grandfather, grandmother, brother, sister, stepfather, stepmother, stepbrother, stepsister, uncle, aunt, first cousin, nephew, or niece; or**

**(b) The spouse of such parent or relative, even after the marriage is terminated by death or divorce;"; and**

Further amend said bill, page, and section, Lines 3 to 15, by renumbering all of the following subdivisions accordingly; and

Further amend said bill, page, and section, Line 17, by deleting all of said line and inserting in lieu thereof the following:

**"were in effect prior to the enactment of Public Law 111-148 and Public Law 111-152;**

**(7) "Medically frail", individuals with:**

**(a) Serious emotional disturbances;**

**(b) Disabling mental disorders;**

**(c) Substance use disorders or chronic medical conditions who are at high risk for significant medical and social costs;**

**(d) Serious and complex medical conditions, including children who are deemed medically complex;**

**(e) Physical or mental disabilities that significantly impair the person's ability to perform one or more activities of daily living; or**

**(f) An adjudicated level of care of twenty-one points or greater as determined by the screening process under 42 CFR 483.100 to 483.138, or deemed eligible for skilled nursing facility placement, but who are not currently residing in a nursing facility."; and**

Further amend said bill and section, Page 13, Line 55, by deleting all of said line and inserting in lieu thereof the following:

**"3. (1) Effective January 1, 2014, and subject to the receipt of appropriate waivers and approval of state plan amendments, individuals who meet the following qualifications shall be eligible for the alternative package of MO HealthNet benefits as set forth in subsection 4 of this section, subject to the other requirements of this section:**

**(a) Are nineteen years of age or older and under sixty-five years of age;**

**(b) Are not pregnant;**

**(c) Are not entitled to or enrolled for Medicare benefits under Part A or B of Title XVIII of the Social Security Act;**

**(d) Are not otherwise eligible for and enrolled in mandatory coverage under Missouri's MO HealthNet program in accordance with 42 CFR 435, Subpart B; and**

**(e) Have household income that is at or below one hundred percent of the federal poverty level for the applicable family size for the applicable year under the MAGI equivalent net income standard.**

**(2) The department shall immediately seek any necessary waivers from the federal Department of Health and Human Services to implement the provisions of this subsection. The waivers shall:**

**(a) Promote healthy behavior and reasonable requirements that patients take ownership of their health care by seeking early preventative care in appropriate settings, including no co-payments for preventive care services;**

(b) Require personal responsibility in the payment of health care by establishing appropriate co-payments based on family income that shall discourage the use of emergency room visits for non-emergent health situations and promote responsible use of other health care services;

(c) Promote the adoption of healthier personal habits including limiting tobacco use or behaviors that lead to obesity;

(d) Allow recipients to receive an annual cash incentive to promote responsible behavior and encourage efficient use of health care services;

(e) Allow health plans to offer a health savings account option; and

(f) Include a request for an enhanced federal funding rate consistent with subsection 10 of this section for newly eligible participants.

(3) If such waivers and enhanced federal funding rate are not granted by the federal government, the provisions of this subsection shall be null and void.

4. Except for those individuals who meet the definition of medically frail, individuals eligible for MO HealthNet benefits under subsection 3 of this section shall receive only a package of alternative minimum benefits. The MO HealthNet division of the department of social services shall promulgate regulations to be effective January 1, 2014, that provide an alternative benefit package that complies with the requirements of federal law and is subject to limitations as established in regulations of the MO HealthNet division.

5. Except for those individuals who meet the definition of medically frail, individuals who qualify for coverage under subsections 2 and 3 of this section shall receive covered services through health plans authorized by the department under section 208.998.

6. The department shall provide premium subsidy and other cost supports for individuals eligible for MO HealthNet under subsections 2 and 3 of this section to enroll in employer-provided health plans or other private health plans based on cost-effective principles determined by the department.

7. Individuals eligible for MO HealthNet benefits under subsections 2 and 3 of this section who meet the definition of medically frail shall receive all benefits they are eligible to receive under sections 208.152, 208.900, 208.903, 208.909, and 208.930.

8. The department shall establish a screening process in conjunction with the department of mental health and the department of health and senior services for determining whether an individual is medically frail and shall enroll all eligible individuals who meet the definition of medically frail and whose care management would benefit from being assigned a health home in the health home program or other care coordination as established by the department. Any eligible individual may opt out of the health home program.

9. The department or appropriate divisions of the department shall promulgate"; and

Further amend said bill and section, Pages 13 and 14, Lines 55 to 64, by renumbering all of the following subsections accordingly; and

Further amend said bill and section, Page 14, Line 67, by deleting all of said line and inserting in lieu thereof the following:

"of this section. The department shall request of the federal government an enhanced federal funding rate for persons newly eligible under subsection 3 of this section whereby the federal government agrees to pay the percentages specified in Section 2001 of Public Law 111-148, as that section existed on March 23, 2010. The provisions of subsections 3 to 8 of this section shall not be implemented unless such waivers and enhanced federal funding rates are granted by the federal government.

11. If at any time the director receives notice that the federal funds at the disposal of the state for payments of money benefits to or on behalf of any persons under subsection 3 of this section shall at any time become less than ninety percent of the funds necessary or are not appropriated to pay the percentages specified in Section 2001 of Public Law 111-148, as that section existed on March 23, 2010, subsections 3 to 8 of this section shall no longer be effective for the individuals whose benefits are no longer matchable at the specified percentages. The date benefits cease shall be stated in a notice sent to the affected individuals.

208.997. 1. The MO HealthNet division shall develop and implement the "Health Care Homes Program" as a provider-directed care coordination program for MO HealthNet recipients who are not enrolled in a prepaid MO HealthNet benefits option and who are receiving services on a fee-for-service basis. The health care homes program shall provide payment to primary care clinics for care coordination for individuals who are deemed medically frail. Clinics shall meet certain criteria, including but not limited to the following:

(1) The capacity to develop care plans;

- (2) A dedicated care coordinator;
- (3) An adequate number of clients, evaluation mechanisms, and quality improvement processes to qualify for reimbursement; and
- (4) The capability to maintain and use a disease registry.

2. For purposes of this section, "primary care clinic" means a medical clinic designated as the patient's first point of contact for medical care, available twenty-four hours a day, seven days a week, that provides or arranges the patient's comprehensive health care needs and provides overall integration, coordination, and continuity over time and referrals for specialty care. A primary care clinic may include a community mental health center.

3. The health care home for recipients of MO HealthNet services defined in paragraph (f) of subdivision (7) of subsection 1 of section 208.995 shall be the primary provider of home- and community-based services received by the recipient if such provider has a qualified, licensed designee to serve as the recipient's care coordinator and the provider can demonstrate the ability to meet the requirements in subsections 1 and 2 of this section. The qualifications for such designees shall be defined by the department by rule.

4. Providers of behavioral, social, and psychophysiological services for the prevention, treatment, or management of physical health problems and screening and brief intervention shall be reimbursed for utilizing the behavior assessment and intervention, and screening and brief intervention reimbursement codes 96150 to 96155 and 99408 to 99409 or their successor codes under the Current Procedural Terminology (CPT) coding system. Location of service may be limited to NCQA Level 3 Patient-Centered Medical Homes and CARF-accredited health homes.

5. The department may designate that the health care homes program be administered through an organization with a statewide primary care presence, experience with Medicaid population health management, and an established health homes outcomes monitoring and improvement system.

6. This section shall be implemented in such a way that it does not conflict with federal requirements for health care home participation by MO HealthNet participants.

7. The department or appropriate divisions of the department may promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2013, shall be invalid and void.

8. Nothing in this section shall be construed to limit the department's ability to create health care homes for participants in a managed care plan.

208.998. 1. Except for individuals who meet the definition of medically frail, individuals who qualify for coverage under subsections 2 and 3 of section 208.995 shall receive covered services through health plans offered by managed care entities which are authorized by the department. Health plans authorized by the department:

(1) Shall resemble commercially available health plans while complying with federal Medicaid requirements as authorized by federal law or through a federal waiver, and may include accountable care organizations, administrative service organizations, or managed care organizations paid on a capitated basis;

(2) Shall promote, to the greatest extent possible, the opportunity for children and their parents to be covered under the same plan;

(3) Shall offer plans statewide;

(4) Shall include cost sharing for outpatient services to the maximum extent allowed by federal law;

(5) May include other co-payments and provide incentives that encourage and reward the prudent use of the health benefit provided;

(6) Shall encourage access to care through provider rates that include pay-for-performance and are comparable to commercial rates;

(7) Shall provide incentives, including shared risk and savings, to health plans and providers to encourage cost-effective delivery of care;

(8) May provide multiple plan options and reward participants for choosing a low-cost plan; and

(9) Shall include the services of health providers as defined in 42 U.S.C. Section 1396d(l)(1) and (2) and meet the payment requirements for such health providers as provided in 42 U.S.C. Sections 1396a(a)(15) and 1396a(bb).

2. The department may designate that certain health care services be excluded from such health plans if it is determined cost effective by the department.

3. (1) The department may accept regional plan proposals as an additional option for beneficiaries. Such proposals may be submitted by accountable care organizations or other organizations and entities.

(2) The department shall advance the development of systems of care for medically complex children who are recipients of MO HealthNet benefits by accepting cost-effective regional proposals from and contracting with appropriate pediatric care networks, pediatric centers for excellence, and medical homes for children to provide MO HealthNet benefits when the department determines it is cost effective to do so. Such entities shall be treated as accountable care organizations.

(3) The provisions of subsection 1 of this section shall not apply to this subsection.

4. The department shall establish, in collaboration with plans and providers, uniform utilization review protocols to be used by all authorized health plans.

5. The department shall establish a competitive bidding process for contracting with managed care plans.

(1) The department shall solicit bids only from bidders who offer, or through an associated company offer, an identical or substantially similar plan, in services provided and network, within a health care exchange in this state, whether federally facilitated, state based, or operated on a partnership basis. The bidder, if the bidder offers an identical or similar plan, in services provided or network continuity, including primary care providers, or the bidder and the associated company, if the bidder has formed a partnership for purposes of its bid, shall include a process in its bid by which MO HealthNet recipients who choose its plan will be automatically enrolled in the corresponding plan offered within the health care exchange if the recipient's income increases resulting in the recipient's ineligibility for MO HealthNet benefits. The bidder also shall include in its bid a process by which an individual enrolled in an identical or substantially similar plan, in services provided or network continuity, including primary care providers, within a health care exchange in this state, whether federally facilitated, state based, or operated on a partnership basis whose income decreases resulting in eligibility for MO HealthNet benefits shall be enrolled in MO HealthNet after an application is received and the participant is determined eligible for MO HealthNet benefits.

(2) The department shall select a minimum of three winning bids and may select up to a maximum number of bids equal to the quotient derived from dividing the total number of participants anticipated by the department in a region by one hundred thousand.

(3) The department shall accept the lowest conforming bid. For determining other accepted bids, the department shall consider the following factors:

- (a) The cost to Missouri taxpayers;
- (b) The extent of the network of health care providers offering services within the bidder's plan;
- (c) Additional services offered to recipients under the bidder's plan;
- (d) The bidder's history of providing managed care plans for similar populations in Missouri or other states;
- (e) Any other criteria the department deems relevant to ensuring MO HealthNet benefits are provided to recipients in such manner as to save taxpayer money and improve health outcomes of recipients.

6. Any managed care organization that enters into a contract with the state to provide managed care plans shall be required to fulfill the terms of the contract and provide such plans for at least twelve months, or longer if the contract so provides. The state shall not increase the reimbursement rate provided to the managed care organization during the contract period above the rate included in the contract. If the managed care organization breaches the contract, the state shall be entitled to bring an action against the managed care organization for any remedy allowed by law or equity and shall also recover any and all damages provided by law, including liquidated damages in an amount determined by the department during the bidding process. Nothing in this subsection shall be construed to preclude the department or the state of Missouri from terminating the contract as specified in the terms of the contract, including for breach of contract, lack of appropriated funds, or exercising any remedies for breach as may be provided in the contract.

7. (1) Participants enrolling in managed care plans under this section shall have the ability to choose their plan. In the enrollment process, participants shall be provided a list of all plans available ranked by the relative actuarial value of each plan. Each participant shall be informed in the enrollment process that he or she will be eligible to receive a portion of the amount saved by Missouri taxpayers if he or she chooses a lower cost plan offered in his or her region. The portion received by a participant shall be determined by the department according to the department's best judgment as to the portion which will bring the maximum savings to Missouri taxpayers.

(2) If a participant fails or refuses to choose a plan as set forth in subdivision (1) of this subsection, the department shall determine rules for auto-assignment, which shall include incentives for low-cost bids and improved health outcomes as determined by the department.



8. This section shall not be construed to require the department to terminate any existing managed care contract or to extend any managed care contract.

9. All MO HealthNet plans under this section shall provide coverage for the following services unless they are specifically excluded under subsection 2 of this section and instead are provided by an administrative services organization:

- (1) Ambulatory patient services;
- (2) Emergency services;
- (3) Hospitalization;
- (4) Maternity and newborn care;
- (5) Mental health and substance abuse treatment, including behavioral health treatment;
- (6) Prescription drugs;
- (7) Rehabilitative and habilitative services and devices;
- (8) Laboratory services;
- (9) Preventive and wellness care, and chronic disease management;
- (10) Pediatric services, including oral and vision care; and
- (11) Any other services required by federal law.

10. No MO HealthNet plan or program shall provide coverage for an abortion unless a physician certifies in writing to the MO HealthNet agency that, in the physician's professional judgment, the life of the mother would be endangered if the fetus were carried to term.

11. The MO HealthNet program shall provide a high deductible health plan option for uninsured adults nineteen years of age or older and under sixty-five years of age with incomes of less than one hundred percent of the federal poverty level. The high deductible health plan shall include:

- (1) After meeting a one thousand dollar deductible, coverage for benefits as specified by rule of the department;
- (2) An account, funded by the department, of at least one thousand dollars per adult to pay medical costs for the initial deductible funded by the department;
- (3) Preventive care, as defined by the department by rule, that is not subject to the deductible and does not require a payment of moneys from the account described in subdivision (2) of this subsection;
- (4) A basic benefits package if annual medical costs exceed one thousand dollars;
- (5) A minimum deductible of one thousand dollars;
- (6) As soon as practicable, the establishment and maintenance of a record-keeping system for each health care visit or service received by recipients under this subsection. The plan shall require that the recipient's prepaid card number be entered, or electronic strip be swiped, by the health care provider for purposes of maintaining a record of every health care visit or service received by the recipient from such provider, regardless of any balance on the recipient's card. Such information shall include only the date, provider name, and general description of the visit or service provided. The plan shall maintain a complete history of all health care visits and services for which the recipient's prepaid card is entered or swiped in accordance with this subdivision. If required under the federal Health Insurance Portability and Accountability Act (HIPAA) or other relevant state or federal law or regulation, a recipient shall, as a condition of participation in the prepaid card incentive, be required to provide a written waiver for disclosure of any information required under this subdivision;
- (7) The determination of a proportion of the amount left in a participant's account described in subdivision (2) of this subsection which shall be paid to the participant for saving taxpayer money. The amount and method of payment shall be determined by the department; and
- (8) The determination of a proportion of a participant's account described in subdivision (2) of this subsection which shall be used to subsidize premiums to facilitate a participant's transition from health coverage under MO HealthNet to private health insurance based on cost-effective principles determined by the department.

12. All participants with chronic conditions, as specified by the department, shall be included in an incentive program for MO HealthNet recipients who obtain specified primary care and preventive services, and who participate or refrain from participation in specified activities to improve the overall health of the recipient. Recipients who complete the requirements of the program shall be eligible to receive an annual cash payment for successful completion of the program. The department shall establish, by rule, the specific primary care and preventive services, activities to be included in the incentive program, and the amount of any annual cash payments to recipients.

13. A MO HealthNet recipient shall be eligible for participation in only one of either the high deductible health plan under subsection 11 of this section or the incentive program under subsection 12 of this section.

**14. No cash payments, incentives, or credits paid to or on behalf of a MO HealthNet participant under a program established by the department under this section shall be deemed to be income to the participant in any means-tested benefit program unless otherwise specifically required by law or rule of the department.**

**15. Managed care entities shall inform participants who choose the high deductible health plan under subsection 11 of this section that the participant may lose his or her incentive payment under subdivision (7) of subsection 11 of this section if the participant utilizes visits to the emergency department for non-emergent purposes. Such information shall be included on every electronic and paper correspondence between the managed care plan and the participant.**

**16. The department shall provide participants formerly enrolled in the Ticket to Work Health Assurance Program any services formerly received under the program that are not provided through health insurance plans purchased through a health insurance exchange. These services shall include home health services, consumer directed services, Medicare Part D co-payments, durable medical equipment, psychiatric rehabilitation services, comprehensive substance treatment and rehabilitation, division of developmental disabilities waiver services, and targeted case management for mental health services.**

**17. The department shall seek all necessary waivers and state plan amendments from the federal Department of Health and Human Services necessary to implement the provisions of this section. The provisions of this section shall not be implemented unless such waivers and state plan amendments are approved. If this section is approved in part by the federal government, the department is authorized to proceed on those sections for which approval has been granted; except that, any increase in eligibility shall be contingent upon the receipt of all necessary waivers and state plan amendments. The provisions of this section shall not be implemented until eligibility of persons set out in subsection 3 of section 208.995 has been approved by the federal Department of Health and Human Services and has been implemented by the department. However, nothing shall prevent the department from expanding managed care for populations under other granted authority.**

**18. The department may promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as the term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2013, shall be invalid and void.**

**208.999. Subject to appropriations, the department shall develop incentive programs to encourage the construction and operation of urgent care clinics which operate outside normal business hours and are in or adjoining emergency room facilities which receive a high proportion of patients who are participating in MO HealthNet, to the extent that the incentives are eligible for federal matching funds.**

376.961. 1. There is hereby created a nonprofit entity to be known as the "Missouri Health Insurance Pool". All insurers issuing health insurance in this state and insurance arrangements providing health plan benefits in this state shall be members of the pool.

2. Beginning January 1, 2007, the board of directors shall consist of the director of the department of insurance, financial institutions and professional registration or the director's designee, and eight members appointed by the director. Of the initial eight members appointed, three shall serve a three-year term, three shall serve a two-year term, and two shall serve a one-year term. All subsequent appointments to the board shall be for three-year terms. Members of the board shall have a background and experience in health insurance plans or health maintenance organization plans, in health care finance, or as a health care provider or a member of the general public; except that, the director shall not be required to appoint members from each of the categories listed. The director may reappoint members of the board. The director shall fill vacancies on the board in the same manner as appointments are made at the expiration of a member's term and may remove any member of the board for neglect of duty, misfeasance, malfeasance, or nonfeasance in office.

3. Beginning August 28, 2007, the board of directors shall consist of fourteen members. The board shall consist of the director and the eight members described in subsection 2 of this section and shall consist of the following additional five members:

(1) One member from a hospital located in Missouri, appointed by the governor, with the advice and consent of the senate;

(2) Two members of the senate, with one member from the majority party appointed by the president pro tem of the senate and one member of the minority party appointed by the president pro tem of the senate with the concurrence of the minority floor leader of the senate; and

(3) Two members of the house of representatives, with one member from the majority party appointed by the speaker of the house of representatives and one member of the minority party appointed by the speaker of the house of representatives with the concurrence of the minority floor leader of the house of representatives.

4. The members appointed under subsection 3 of this section shall serve in an ex officio capacity. The terms of the members of the board of directors appointed under subsection 3 of this section shall expire on December 31, 2009. On such date, the membership of the board shall revert back to nine members as provided for in subsection 2 of this section.

**5. Beginning on August 28, 2013, the board of directors on behalf of the pool, the executive director, and any other employees of the pool shall have the authority to provide assistance or resources to any department, agency, public official, employee, or agent of the federal government for the specific purpose of transitioning individuals enrolled in the pool to coverage outside of the pool beginning on or before January 1, 2014. Such authority does not extend to authorizing the pool to implement, establish, create, administer, or otherwise operate a state-based exchange.**

376.962. 1. The board of directors on behalf of the pool shall submit to the director a plan of operation for the pool and any amendments thereto necessary or suitable to assure the fair, reasonable and equitable administration of the pool. After notice and hearing, the director shall approve the plan of operation, provided it is determined to be suitable to assure the fair, reasonable and equitable administration of the pool, and it provides for the sharing of pool gains or losses on an equitable proportionate basis. The plan of operation shall become effective upon approval in writing by the director consistent with the date on which the coverage under sections 376.960 to 376.989 becomes available. If the pool fails to submit a suitable plan of operation within one hundred eighty days after the appointment of the board of directors, or at any time thereafter fails to submit suitable amendments to the plan, the director shall, after notice and hearing, adopt and promulgate such reasonable rules as are necessary or advisable to effectuate the provisions of this section. Such rules shall continue in force until modified by the director or superseded by a plan submitted by the pool and approved by the director.

2. In its plan, the board of directors of the pool shall:

- (1) Establish procedures for the handling and accounting of assets and moneys of the pool;
- (2) Select an administering insurer **or third-party administrator** in accordance with section 376.968;
- (3) Establish procedures for filling vacancies on the board of directors; **and**

(4) Establish procedures for the collection of assessments from all members to provide for claims paid under the plan and for administrative expenses incurred or estimated to be incurred during the period for which the assessment is made. The level of payments shall be established by the board pursuant to the provisions of section 376.973. Assessment shall occur at the end of each calendar year and shall be due and payable within thirty days of receipt of the assessment notice[;

(5) Develop and implement a program to publicize the existence of the plan, the eligibility requirements, and procedures for enrollment, and to maintain public awareness of the plan].

**3. On or before September 1, 2013, the board shall submit such amendments to the plan of operation as are necessary or suitable to ensure a reasonable transition period to allow for the termination of issuance of policies by the pool.**

**4. The amendments to the plan of operation submitted by the board shall include all of the requirements outlined in subsection 2 of this section and shall address the transition of individuals covered under the pool to alternative health insurance coverage as it is available after January 1, 2014. The plan of operation shall also address procedures for finalizing the financial matters of the pool, including assessments, claims expenses, and other matters identified in subsection 2 of this section.**

**5. The director shall review the plan of operation submitted under subsection 3 of this section and shall promulgate rules to effectuate the transitional plan of operation. Such rule shall be effective no later than October 1, 2013. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2013, shall be invalid and void.**

376.964. The board of directors and administering insurers of the pool shall have the general powers and authority granted under the laws of this state to insurance companies licensed to transact health insurance as defined in section 376.960, and, in addition thereto, the specific authority to:

(1) Enter into contracts as are necessary or proper to carry out the provisions and purposes of sections 376.960 to 376.989, including the authority, with the approval of the director, to enter into contracts with similar pools of other states for the joint performance of common administrative functions, or with persons or other organizations for the performance of administrative functions;

(2) Sue or be sued, including taking any legal actions necessary or proper for recovery of any assessments for, on behalf of, or against pool members;

(3) Take such legal actions as necessary to avoid the payment of improper claims against the pool or the coverage provided by or through the pool;

(4) Establish appropriate rates, rate schedules, rate adjustments, expense allowances, agents' referral fees, claim reserve formulas and any other actuarial function appropriate to the operation of the pool. Rates shall not be unreasonable in relation to the coverage provided, the risk experience and expenses of providing the coverage. Rates and rate schedules may be adjusted for appropriate risk factors such as age and area variation in claim costs and shall take into consideration appropriate risk factors in accordance with established actuarial and underwriting practices;

(5) Assess members of the pool in accordance with the provisions of this section, and to make advance interim assessments as may be reasonable and necessary for the organizational and interim operating expenses. Any such interim assessments are to be credited as offsets against any regular assessments due following the close of the fiscal year;

(6) **Prior to January 1, 2014, issue policies of insurance in accordance with the requirements of sections 376.960 to 376.989. In no event shall new policies of insurance be issued on or after January 1, 2014;**

(7) Appoint, from among members, appropriate legal, actuarial and other committees as necessary to provide technical assistance in the operation of the pool, policy or other contract design, and any other function within the authority of the pool;

(8) Establish rules, conditions and procedures for reinsuring risks of pool members desiring to issue pool plan coverages in their own name. Such reinsurance facility shall not subject the pool to any of the capital or surplus requirements, if any, otherwise applicable to reinsurers;

(9) Negotiate rates of reimbursement with health care providers on behalf of the association and its members;

(10) Administer separate accounts to separate federally defined eligible individuals and trade act eligible individuals who qualify for plan coverage from the other eligible individuals entitled to pool coverage and apportion the costs of administration among such separate accounts.

376.966. 1. No employee shall involuntarily lose his or her group coverage by decision of his or her employer on the grounds that such employee may subsequently enroll in the pool. The department shall have authority to promulgate rules and regulations to enforce this subsection.

2. **Prior to January 1, 2014,** the following individual persons shall be eligible for coverage under the pool if they are and continue to be residents of this state:

(1) An individual person who provides evidence of the following:

(a) A notice of rejection or refusal to issue substantially similar health insurance for health reasons by at least two insurers; or

(b) A refusal by an insurer to issue health insurance except at a rate exceeding the plan rate for substantially similar health insurance;

(2) A federally defined eligible individual who has not experienced a significant break in coverage;

(3) A trade act eligible individual;

(4) Each resident dependent of a person who is eligible for plan coverage;

(5) Any person, regardless of age, that can be claimed as a dependent of a trade act eligible individual on such trade act eligible individual's tax filing;

(6) Any person whose health insurance coverage is involuntarily terminated for any reason other than nonpayment of premium or fraud, and who is not otherwise ineligible under subdivision (4) of subsection 3 of this section. If application for pool coverage is made not later than sixty-three days after the involuntary termination, the effective date of the coverage shall be the date of termination of the previous coverage;

(7) Any person whose premiums for health insurance coverage have increased above the rate established by the board under paragraph (a) of subdivision (1) of subsection 3 of this section;

(8) Any person currently insured who would have qualified as a federally defined eligible individual or a trade act eligible individual between the effective date of the federal Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 and the effective date of this act.

3. The following individual persons shall not be eligible for coverage under the pool:

(1) Persons who have, on the date of issue of coverage by the pool, or obtain coverage under health insurance or an insurance arrangement substantially similar to or more comprehensive than a plan policy, or would be eligible to have coverage if the person elected to obtain it, except that:

(a) This exclusion shall not apply to a person who has such coverage but whose premiums have increased to one hundred fifty percent to two hundred percent of rates established by the board as applicable for individual standard risks;

(b) A person may maintain other coverage for the period of time the person is satisfying any preexisting condition waiting period under a pool policy; and

(c) A person may maintain plan coverage for the period of time the person is satisfying a preexisting condition waiting period under another health insurance policy intended to replace the pool policy;

(2) Any person who is at the time of pool application receiving health care benefits under section 208.151;

(3) Any person having terminated coverage in the pool unless twelve months have elapsed since such termination, unless such person is a federally defined eligible individual;

(4) Any person on whose behalf the pool has paid out one million dollars in benefits;

(5) Inmates or residents of public institutions, unless such person is a federally defined eligible individual, and persons eligible for public programs;

(6) Any person whose medical condition which precludes other insurance coverage is directly due to alcohol or drug abuse or self-inflicted injury, unless such person is a federally defined eligible individual or a trade act eligible individual;

(7) Any person who is eligible for Medicare coverage.

4. Any person who ceases to meet the eligibility requirements of this section may be terminated at the end of such person's policy period.

5. If an insurer issues one or more of the following or takes any other action based wholly or partially on medical underwriting considerations which is likely to render any person eligible for pool coverage, the insurer shall notify all persons affected of the existence of the pool, as well as the eligibility requirements and methods of applying for pool coverage:

(1) A notice of rejection or cancellation of coverage;

(2) A notice of reduction or limitation of coverage, including restrictive riders, if the effect of the reduction or limitation is to substantially reduce coverage compared to the coverage available to a person considered a standard risk for the type of coverage provided by the plan.

**6. Coverage under the pool shall expire on January 1, 2014.**

376.968. The board shall select an insurer [or] , insurers, or **third-party administrators** through a competitive bidding process to administer the pool. The board shall evaluate bids submitted based on criteria established by the board which shall include:

(1) The insurer's proven ability to handle individual accident and health insurance;

(2) The efficiency of the insurer's claim-paying procedures;

(3) An estimate of total charges for administering the plan;

(4) The insurer's ability to administer the pool in a cost-efficient manner.

376.970. 1. The administering insurer shall serve for a period of three years subject to removal for cause. At least one year prior to the expiration of each three-year period of service by an administering insurer, the board shall invite all insurers, including the current administering insurer, to submit bids to serve as the administering insurer for the succeeding three-year period. Selection of the administering insurer for the succeeding period shall be made at least six months prior to the end of the current three-year period.

2. The administering insurer shall:

(1) Perform all eligibility and administrative claim-payment functions relating to the pool;

(2) Establish a premium billing procedure for collection of premium from insured persons. Billings shall be made on a period basis as determined by the board;

(3) Perform all necessary functions to assure timely payment of benefits to covered persons under the pool including:

(a) Making available information relating to the proper manner of submitting a claim for benefits to the pool and distributing forms upon which submission shall be made;

(b) Evaluating the eligibility of each claim for payment by the pool;

(4) Submit regular reports to the board regarding the operation of the pool. The frequency, content and form of the report shall be determined by the board;

(5) Following the close of each calendar year, determine net written and earned premiums, the expense of administration, and the paid and incurred losses for the year and report this information to the board and the department on a form prescribed by the director;

(6) Be paid as provided in the plan of operation for its expenses incurred in the performance of its services.

**3. On or before September 1, 2013, the board shall invite all insurers and third-party administrators, including the current administering insurer, to submit bids to serve as the administering insurer or third-party administrator for the pool. Selection of the administering insurer or third-party administrator shall be made prior to January 1, 2014.**

**4. Beginning January 1, 2014, the administering insurer or third-party administrator shall:**

**(1) Submit to the board and director a detailed plan outlining the winding down of operations of the pool. The plan shall be submitted no later than January 31, 2014, and shall be updated quarterly thereafter;**

**(2) Perform all administrative claim-payment functions relating to the pool;**

**(3) Perform all necessary functions to assure timely payment of benefits to covered persons under the pool including:**

**(a) Making available information relating to the proper manner of submitting a claim for benefits to the pool and distributing forms upon which submission shall be made; and**

**(b) Evaluating the eligibility of each claim for payment by the pool;**

**(4) Submit regular reports to the board regarding the operation of the pool. The frequency, content and form of the report shall be determined by the board;**

**(5) Following the close of each calendar year, determine the expense of administration, and the paid and incurred losses for the year, and report such information to the board and department on a form prescribed by the director; and**

**(6) Be paid as provided in the plan of operation for its expenses incurred in the performance of its services.**

376.973. 1. Following the close of each fiscal year, the pool administrator shall determine the net premiums (premiums less administrative expense allowances), the pool expenses of administration and the incurred losses for the year, taking into account investment income and other appropriate gains and losses. Health insurance premiums and benefits paid by an insurance arrangement that are less than an amount determined by the board to justify the cost of collection shall not be considered for purposes of determining assessments. The total cost of pool operation shall be the amount by which all program expenses, including pool expenses of administration, incurred losses for the year, and other appropriate losses exceeds all program revenues, including net premiums, investment income, and other appropriate gains.

2. Each insurer's assessment shall be determined by multiplying the total cost of pool operation by a fraction, the numerator of which equals that insurer's premium and subscriber contract charges for health insurance written in the state during the preceding calendar year and the denominator of which equals the total of all premiums, subscriber contract charges written in the state and one hundred ten percent of all claims paid by insurance arrangements in the state during the preceding calendar year; provided, however, that the assessment for each health maintenance organization shall be determined through the application of an equitable formula based upon the value of services provided in the preceding calendar year.

3. Each insurance arrangement's assessment shall be determined by multiplying the total cost of pool operation calculated under subsection 1 of this section by a fraction, the numerator of which equals one hundred ten percent of the benefits paid by that insurance arrangement on behalf of insureds in this state during the preceding calendar year and the denominator of which equals the total of all premiums, subscriber contract charges and one hundred ten percent of all benefits paid by insurance arrangements made on behalf of insureds in this state during the preceding calendar year. Insurance arrangements shall report to the board claims payments made in this state on an annual basis on a form prescribed by the director.

4. If assessments exceed actual losses and administrative expenses of the pool, the excess shall be held at interest and used by the board to offset future losses or to reduce pool premiums. As used in this subsection, "future losses" include reserves for incurred but not paid claims.

**5. Assessments shall continue until such time as the director of the pool provides notice to the board and director that all claims have been paid.**

**6. Any assessment funds remaining at the time the director provides notice that all claims have been paid shall be deposited in the state general revenue fund.**

**Section 1. 1. Notwithstanding any other provision of law to the contrary, beginning July 1, 2014, any MO HealthNet recipient who elects to receive medical coverage through a private health insurance plan instead of through the MO HealthNet program shall be eligible for a private insurance premium subsidy to assist the recipient in paying the costs of such private insurance if it is determined to be cost effective by the department.**

The subsidy shall be provided on a sliding scale based on income, with a graduated reduction in subsidy over a period of time not to exceed two years.

2. The department may promulgate rules to implement the provisions of this section. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2013, shall be invalid and void."; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

**House Amendment No. 2** was withdrawn.

On motion of Representative Barnes, **HCS HB 986, as amended**, was adopted.

On motion of Representative Barnes, **HCS HB 986, as amended**, was ordered perfected and printed.

### HOUSE BILLS WITH SENATE AMENDMENTS

**SS HCS HJRs 11 & 7, as amended**, relating to the right to farm, was taken up by Representative Reiboldt.

Representative Reiboldt moved that the House refuse to adopt **SS HCS HJRs 11 & 7, as amended**, and request the Senate to recede from its position and, failing to do so, grant the House a conference.

Which motion was adopted.

### THIRD READING OF SENATE BILL

**HCS SS#2 SCS SBs 26, 11 & 31**, relating to taxation, was taken up by Representative Koenig.

Representative Keeney assumed the Chair.

Representative Kelley (127) offered **House Amendment No. 1**.

#### *House Amendment No. 1*

AMEND House Committee Substitute for Senate Substitute No. 2 for Senate Committee Substitute for Senate Bill Nos. 26, 11 & 31, Page 7, Section 32.383, Line 9, by deleting the word, "**investigations**" and inserting in lieu thereof the word, "**investigation**"; and

Further amend said bill, Page 96, Section 143.011, Line 3, by inserting after the date, "**December 31, 2013**" the following words, "**or on or before the first tax year after the tax revenues collected in the current year exceed the highest annual level of revenues collected in the prior three years by at least one hundred million dollars, whichever is latest**"; and

Further amend said bill, Page 97, section, Lines 26-27, by deleting all of said lines and inserting in lieu thereof the following words:

**"(2) For the first tax year after the tax revenues collected in the current year exceed the highest annual level of revenues collected in the prior three years by at least one hundred million dollars, the tax shall be determined by applying the tax table or the rate"; and**

Further amend said bill, page, section, Lines 50-51, by deleting all of said lines and inserting in lieu thereof the following words:

**"(3) For the second tax year after the tax revenues collected in the current year exceed the highest annual level of revenues collected in the prior three years by at least one hundred million dollars, the tax shall be determined by applying the tax table or the rate"; and**

Further amend said bill, Page 98, section, Lines 74-75, by deleting all of said lines and inserting in lieu thereof the following words:

**"(4) For the third tax year after the tax revenues collected in the current year exceed the highest annual level of revenues collected in the prior three years by at least one hundred million dollars, the tax shall be determined by applying the tax table or the rate"; and**

Further amend said bill, Page 99, section, Lines 98-99, by deleting all of said lines and inserting in lieu thereof the following words:

**"(5) For the fourth tax year after the tax revenues collected in the current year exceed the highest annual level of revenues collected in the prior three years by at least one hundred million dollars, the tax shall be determined by applying the tax table or the rate"; and**

Further amend said bill, page, section, Line 120, by deleting all of said line and inserting in lieu thereof the following words:

**"(6) For all tax years after the fourth tax year after the tax revenues collected in the current year exceed the highest annual level of revenues collected in the prior three years by at least one hundred million dollars, the tax shall be"; and**

Further amend said bill, Page 100, Section 143.021, Line 1, by inserting after the date, "**December 31, 2013**" the following words, "**or on or before the first tax year after the tax revenues collected in the current year exceed the highest annual level of revenues collected in the prior three years by at least one hundred million dollars, whichever is latest**"; and



Further amend said bill, page, section, Lines 10-11, by deleting all of said lines and inserting in lieu thereof the following words:

**"2. For the first tax year after the tax revenues collected in the current year exceed the highest annual level of revenues collected in the prior three years by at least one hundred million dollars, every resident having a taxable income of less than eight thousand"; and**

Further amend said bill, Pages 100-102, section, Lines 12, 22, 29, 32, 39, 42, 49, 51, and 58, by inserting immediately after the word, "his" the words, "or her"; and

Further amend said bill, Page 101, section, Lines 20-21, by deleting all of said lines and inserting in lieu thereof the following words:

**"3. For the second tax year after the tax revenues collected in the current year exceed the highest annual level of revenues collected in the prior three years by at least one hundred million dollars, every resident having a taxable income of less than eight thousand six"; and**

Further amend said bill, page, section, Lines 30-31, by deleting all of said lines and inserting in lieu thereof the following words:

**"4. For the third tax year after the tax revenues collected in the current year exceed the highest annual level of revenues collected in the prior three years by at least one hundred million dollars, every resident having a taxable income of less than eight thousand four"; and**

Further amend said bill, page, section, Lines 40-41, by deleting all of said lines and inserting in lieu thereof the following words:

**"5. For the fourth tax year after the tax revenues collected in the current year exceed the highest annual level of revenues collected in the prior three years by at least one hundred million dollars, every resident having a taxable income of less than eight thousand two"; and**

Further amend said bill, page, section, Line 50, by deleting all of said line and inserting in lieu thereof the following words:

**"6. For all tax years beginning after the fourth tax year after the tax revenues collected in the current year exceed the highest annual level of revenues collected in the prior three years by at least one hundred million dollars, every resident having a"; and**

Further amend said bill, Page 102, Section 143.022, Lines 10-19, by deleting all of said lines and inserting in lieu thereof the following:

**"(1) For the first tax year after the tax revenues collected in the current year exceed the highest annual level of revenues collected in the prior three years by at least one hundred million dollars, ten percent of the amount of business income;**

**(2) For the second tax year after the tax revenues collected in the current year exceed the highest annual level of revenues collected in the prior three years by at least one hundred million dollars, twenty percent of the amount of business income;**

**(3) For the third tax year after the tax revenues collected in the current year exceed the highest annual level of revenues collected in the prior three years by at least one hundred million dollars, thirty percent of the amount of business income;**

**(4) For the fourth tax year after the tax revenues collected in the current year exceed the highest annual level of revenues collected in the prior three years by at least one hundred million dollars, forty percent of the amount of business income;**

**(5) For all tax years beginning after the fourth tax year after the tax revenues collected in the current year exceed the highest annual level of revenues collected in the prior three years by at least one hundred million dollars, fifty percent of the amount of business income."; and**

Further amend said bill, Page 103, Section 143.071, Line 5, by inserting after the date, "**December 31, 2013**" the following words, "**or on or before the first tax year after the tax revenues collected in the current year exceed the highest annual level of revenues collected in the prior three years by at least one hundred million dollars, whichever is latest**"; and

Further amend said bill, page, section, Lines 7-8, by deleting all of said lines and inserting in lieu thereof the following words:

**"3. (1) For the first tax year after the tax revenues collected in the current year exceed the highest annual level of revenues collected in the prior three years by at least one hundred million dollars, a tax is hereby imposed upon the Missouri taxable income of"; and**

Further amend said bill, page, section, Lines 10-11, by deleting all of said lines and inserting in lieu thereof the following words:

**"(2) For the second tax year after the tax revenues collected in the current year exceed the highest annual level of revenues collected in the prior three years by at least one hundred million dollars, a tax is hereby imposed upon the Missouri taxable income of"; and**

Further amend said bill, page, section, Lines 14-15, by deleting all of said lines and inserting in lieu thereof the following words:

**"(3) For the third tax year after the tax revenues collected in the current year exceed the highest annual level of revenues collected in the prior three years by at least one hundred million dollars, a tax is hereby imposed upon the Missouri taxable income of"; and**

Further amend said bill, page, section, Lines 17-18, by deleting all of said lines and inserting in lieu thereof the following words:

**"(4) For the fourth tax year after the tax revenues collected in the current year exceed the highest annual level of revenues collected in the prior three years by at least one hundred million dollars, a tax is hereby imposed upon the Missouri taxable income of"; and**

Further amend said bill, page, section, Line 21, by deleting all of said line and inserting in lieu thereof the following words:

**"(5) For all tax years beginning after the fourth tax year after the tax revenues collected in the current year exceed the highest annual level of revenues collected in the prior three years by at least one hundred million dollars, a tax is hereby imposed"; and**

Further amend said bill, page, Section 143.151, Line 8, by inserting after the date, "**January 1, 2014**" the following words, "**or on or before the first tax year after the tax revenues collected in the current year exceed the highest annual level of revenues collected in the prior three years by at least one hundred million dollars, whichever is latest**"; and

Further amend said bill, Page 104, Section 144.010, Lines 25-27, by deleting all of said lines and inserting in lieu thereof the following:

**"(7) "Appliance", clothes washer and dryer, water heater, trash compactor, dishwasher, conventional oven, range, stove, air conditioner, furnace, refrigerator, and freezer"; and**

Further amend said bill, Page 105, section, Line 66, by deleting the first occurrence of the word, "**of**" and inserting in lieu thereof the word, "**or**"; and

Further amend said bill, Page 106, section, Line 78, by deleting the word, "**included**" and inserting in lieu thereof the word, "**includes**"; and

Further amend said bill, Page 108, section, Line 146, by deleting the words, "**shoe laces**" and inserting in lieu thereof the word, "**shoelaces**"; and

Further amend said bill, page, section, Line 150, by deleting the words, "**Steel toed**" and inserting in lieu thereof the word, "**Steel-toed**"; and

Further amend said bill, page, section, Line 163, by deleting the second occurrence of the word, "**or**" and inserting in lieu thereof the word, "**and**"; and

Further amend said bill, Page 109, section, Line 208, by deleting the word, "**are**" and inserting in lieu thereof the word, "**is**"; and

Further amend said bill, Page 110, section, Line 220, by deleting the word, "**and**" and inserting in lieu thereof the word, "**or**"; and

Further amend said bill, Page 111, section, Line 248, by deleting the word, "**are**" and inserting in lieu thereof the word, "**is**"; and

Further amend said bill, Page 112, section, Line 294, by deleting the words, "**vending machines**" and inserting in lieu thereof the words, "**a vending machine**"; and

Further amend said bill, page, section, Line 298, by deleting the words, "**over-the-counter-drugs**" and inserting in lieu thereof the words, "**over-the-counter drugs**"; and

Further amend said bill, Page 116, section, Line 441, by deleting the word, "**or**" and inserting in lieu thereof the word, "**of**"; and

Further amend said bill, Page 118, section, Line 523, by deleting the word, "**protections**" and inserting in lieu thereof the word, "**protection**"; and

Further amend said bill, page, section, Line 524, by deleting the word, "**are**" and inserting in lieu thereof the word, "**is**"; and

Further amend said bill, Page 122, section, Line 657, by deleting the word, "**service**" and inserting in lieu thereof the word, "**services**"; and

Further amend said bill, Page 123, section, Line 699, by deleting the word, "**telecommunication**" and inserting in lieu thereof the word, "**telecommunications**"; and

Further amend said bill, page, section, Line 705, by deleting the word, "**charges**" and inserting in lieu thereof the word, "**charge**"; and

Further amend said bill, Page 128, Section 144.020, Lines 54-59, by deleting all of said lines and inserting in lieu thereof the following words:

**"(1) In the first calendar year after the tax revenues collected in the current year exceed the highest annual level of revenues collected in the prior three years by at least one hundred million dollars, four and one-fifth percent;**

**(2) In the second calendar year after the tax revenues collected in the current year exceed the highest annual level of revenues collected in the prior three years by at least one hundred million dollars, four and three-tenths percent;**

**(3) In the third calendar year after the tax revenues collected in the current year exceed the highest annual level of revenues collected in the prior three years by at least one hundred million dollars, four and two-fifths percent;**

**(4) In the fourth calendar year after the tax revenues collected in the current year exceed the highest annual level of revenues collected in the prior three years by at least one hundred million dollars, four and one-half percent;**

**(5) For all tax years after the fourth calendar year after the tax revenues collected in the current year exceed the highest annual level of revenues collected in the prior three years by at least one hundred million dollars, four and three-fifths percent.**"; and

Further amend said bill, page, Section 144.021, Lines 11-17, by deleting all of said lines and inserting in lieu thereof the words, **"imposed under this section shall be the rate imposed under 144.020."**; and

Further amend said bill, Page 133, Section 144.030, Line 124, by inserting a comma, ",", after the word, "disabilities"; and

Further amend said bill, Page 139, Section 144.040, Line 58, by deleting the words, **"the previous rules of"**; and

Further amend said bill, Page 155, Section 144.110, Line 3, by deleting the word, **"Section"** and inserting in lieu thereof the word, **"section"**; and

Further amend said bill, Page 160, Section 144.212, Line 32, by inserting immediately after the word, **"use"** the word, **"is"**; and

Further amend said bill, Page 163, Section 144.440, Lines 37-43, by deleting all of said lines and inserting in lieu thereof the words, **"imposed under this section shall be the rate imposed under 144.020."**; and

Further amend said bill, page, Section 144.522, Line 9, by inserting immediately after the word, **"Code"** the words, **"of 1986, as amended"**; and

Further amend said bill, Pages 165-166, Section 144.605, Lines 29, 30, 31, 40, 44-45, 46, and 48, by deleting the words, **"the state"** and inserting in lieu thereof the words, **"this state"**; and

Further amend said bill, Page 165, section, Line 31, by deleting the word, **"sales;"** and inserting in lieu thereof the words, **"vendor's sales."**; and

Further amend said bill, Page 169, Section 144.700, Line 8, by inserting after the date, **"January 1, 2014"** the following words, **"or the first calendar year after the tax revenues collected in the current year exceed the highest annual level of revenues collected in the prior three years by at least one hundred million dollars"**; and

Further amend said bill, Page 170, Section 144.700, Line 16, by inserting after the word, **"fund"** the following:

";

**(3) The revenue derived from the rate for the second calendar year after the tax revenues collected in the current year exceed the highest annual level of revenues collected in the prior three years by at least one hundred million dollars, one-tenth percent; the revenue derived from the rate for the third calendar year after the tax revenues collected in the current year exceed the highest annual level of revenues collected in the prior three years by at least one hundred million dollars, one-tenth percent; the fourth calendar year after the tax revenues collected in the current year exceed the highest annual level of revenues collected in the prior three years by at least one hundred million dollars, one-tenth percent; and the revenue derived from the rate for all calendar years after the fourth calendar year after the tax revenues collected in the current year exceed the highest annual level of revenues collected in the prior three years by at least one hundred million dollars, one-tenth percent. The revenue derived from the rates specified in this subdivision shall be deposited in the state school moneys fund under section 166.051."**; and

Further amend said bill, Page 181, Section 630.1100, Line 8, by deleting the number, **"2"** and inserting in lieu thereof the number, **"(2)"**; and

Further amend said bill, Page 187, Section B, Lines 10-14, by deleting all of said lines and inserting in lieu thereof the words, **"144.124, 144.125, 144.212, and 144.522 shall become effective on January 1, 2015."**; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

On motion of Representative Kelley (127), **House Amendment No. 1** was adopted.

Representative Hough offered **House Amendment No. 2**.

*House Amendment No. 2*

AMEND House Committee Substitute for Senate Substitute No. 2 for Senate Committee Substitute for Senate Bill Nos. 26, 11 & 31, Page 3, Section 32.087, Line 8, by inserting after the word, "section" the following words, ", **and shall be imposed on all transactions on which the Missouri state sales tax is imposed**"; and

Further amend said bill, Page 128, Section 144.021, Line 3, by inserting after the number, "144.020" the following words, "**and for the privilege of titling new and used motor vehicles, trailers, boats, and outboard motors purchased or acquired for use on the highways or waters of this state which are required to be registered under the laws of the state of Missouri**"; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

On motion of Representative Hough, **House Amendment No. 2** was adopted.

Representative Burlison offered **House Amendment No. 3**.

*House Amendment No. 3*

AMEND House Committee Substitute for Senate Substitute No. 2 for Senate Committee Substitute for Senate Bill Nos. 26, 11 & 31, Page 104, Section 143.151, Line 13, by inserting after all of said section and line the following:

"143.451. 1. Missouri taxable income of a corporation shall include all income derived from sources within this state.

2. A corporation described in subdivision (1) of subsection 1 of section 143.441 shall include in its Missouri taxable income all income from sources within this state, including that from the transaction of business in this state and that from the transaction of business partly done in this state and partly done in another state or states. However:

(1) Where income results from a transaction partially in this state and partially in another state or states, and income and deductions of the portion in the state cannot be segregated, then such portions of income and deductions shall be allocated in this state and the other state or states as will distribute to this state a portion based upon the portion of the transaction in this state and the portion in such other state or states.

(2) The taxpayer may elect to compute the portion of income from all sources in this state in the following manner, **or the manner set forth in subdivision (3) of this subsection**:

(a) The income from all sources shall be determined as provided, excluding therefrom the figures for the operation of any bridge connecting this state with another state.

(b) The amount of sales which are transactions wholly in this state shall be added to one-half of the amount of sales which are transactions partly within this state and partly without this state, and the amount thus obtained shall be divided by the total sales or in cases where sales do not express the volume of business, the amount of business transacted wholly in this state shall be added to one-half of the amount of business transacted partly in this state and partly outside this state and the amount thus obtained shall be divided by the total amount of business transacted, and the net income shall be multiplied by the fraction thus obtained, to determine the proportion of income to be used to arrive at the amount of Missouri taxable income. The investment or reinvestment of its own funds, or sale of any such investment or reinvestment, shall not be considered as sales or other business transacted for the determination of said fraction.

[(3)] (c) For the purposes of this [section] **subdivision**, a transaction involving the sale of tangible property is:

[(a)] **a.** "Wholly in this state" if both the seller's shipping point and the purchaser's destination point are in this state;

**[(b)] b.** "Partly within this state and partly without this state" if the seller's shipping point is in this state and the purchaser's destination point is outside this state, or the seller's shipping point is outside this state and the purchaser's destination point is in this state;

**[(c)] c.** Not "wholly in this state" or not "partly within this state and partly without this state" only if both the seller's shipping point and the purchaser's destination point are outside this state[;].

(d) For purposes of this subdivision:

a. The purchaser's destination point shall be determined without regard to the FOB point or other conditions of the sale[;]; and

b. The seller's shipping point is determined without regard to the location of the seller's principle office or place of business.

**(3) The taxpayer may elect to compute the portion of income from all sources in this state in the following manner:**

**(a) The income from all sources shall be determined as provided, excluding therefrom the figures for the operation of any bridge connecting this state with another state;**

**(b) The amount of sales which are transactions in this state shall be divided by the total sales, and the net income shall be multiplied by the fraction thus obtained, to determine the proportion of income to be used to arrive at the amount of Missouri taxable income. The investment or reinvestment of its own funds, or sale of any such investment or reinvestment, shall not be considered as sales or other business transacted for the determination of said fraction;**

**(c) For the purposes of this subdivision, a transaction involving the sale of tangible property is:**

a. "In this state" if the purchaser's destination point is in this state;

b. Not "in this state" if the purchaser's destination point is outside this state;

**(d) For purposes of this subdivision, the purchaser's destination point shall be determined without regard to the FOB point or other conditions of the sale and shall not be in this state if the purchaser received the tangible personal property from the seller in this state for delivery to the purchaser's location outside this state.**

(4) For purposes of this subsection, the following words shall, unless the context otherwise requires, have the following meaning:

(a) "Administration services" include, but are not limited to, clerical, fund or shareholder accounting, participant record keeping, transfer agency, bookkeeping, data processing, custodial, internal auditing, legal and tax services performed for an investment company;

(b) "Affiliate", the meaning as set forth in 15 U.S.C. Section 80a-2(a)(3)(C), as may be amended from time to time;

(c) "Distribution services" include, but are not limited to, the services of advertising, servicing, marketing, underwriting or selling shares of an investment company, but, in the case of advertising, servicing or marketing shares, only where such service is performed by a person who is, or in the case of a closed end company, was, either engaged in the services of underwriting or selling investment company shares or affiliated with a person that is engaged in the service of underwriting or selling investment company shares. In the case of an open end company, such service of underwriting or selling shares must be performed pursuant to a contract entered into pursuant to 15 U.S.C. Section 80a-15(b), as from time to time amended;

(d) "Investment company", any person registered under the federal Investment Company Act of 1940, as amended from time to time, (the act) or a company which would be required to register as an investment company under the act except that such person is exempt to such registration pursuant to Section 80a-3(c)(1) of the act;

(e) "Investment funds service corporation" includes any corporation or S corporation doing business in the state which derives more than fifty percent of its gross income in the ordinary course of business from the provision directly or indirectly of management, distribution or administration services to or on behalf of an investment company or from trustees, sponsors and participants of employee benefit plans which have accounts in an investment company. An investment funds service corporation shall include any corporation or S corporation providing management services as an investment advisory firm registered under Section 203 of the Investment Advisors Act of 1940, as amended from time to time, regardless of the percentage of gross revenues consisting of fees from management services provided to or on behalf of an investment company;

(f) "Management services" include but are not limited to, the rendering of investment advice directly or indirectly to an investment company making determinations as to when sales and purchases of securities are to be made on behalf of the investment company, or the selling or purchasing of securities constituting assets of an investment company, and related activities, but only where such activity or activities are performed:

a. Pursuant to a contract with the investment company entered into pursuant to 15 U.S.C. Section 80a-15(a), as from time to time amended;

b. For a person that has entered into such contract with the investment company; or

c. For a person that is affiliated with a person that has entered into such contract with an investment company;  
(g) "Qualifying sales", gross income derived from the provision directly or indirectly of management, distribution or administration services to or on behalf of an investment company or from trustees, sponsors and participants of employee benefit plans which have accounts in an investment company. For purposes of this section, gross income is defined as that amount of income earned from qualifying sources without deduction of expenses related to the generation of such income;

(h) "Residence", presumptively the fund shareholder's mailing address on the records of the investment company. If, however, the investment company or the investment funds service corporation has actual knowledge that the fund shareholder's primary residence or principal place of business is different than the fund shareholder's mailing address such presumption shall not control. To the extent an investment funds service corporation does not have access to the records of the investment company, the investment funds service corporation may employ reasonable methods to determine the investment company fund shareholder's residence.

(5) Notwithstanding other provisions of law to the contrary, qualifying sales of an investment funds service corporation, or S corporation, shall be considered wholly in this state only to the extent that the fund shareholders of the investment companies, to which the investment funds service corporation, or S corporation, provide services, are resided in this state. Wholly in this state qualifying sales of an investment funds service corporation, or S corporation, shall be determined as follows:

(a) By multiplying the investment funds service corporation's total dollar amount of qualifying sales from services provided to each investment company by a fraction, the numerator of which shall be the average of the number of shares owned by the investment company's fund shareholders resided in this state at the beginning of and at the end of the investment company's taxable year that ends with or within the investment funds service corporation's taxable year, and the denominator of which shall be the average of the number of shares owned by the investment company's fund shareholders everywhere at the beginning of and at the end of the investment company's taxable year that ends with or within the investment funds service corporation's taxable year;

(b) A separate computation shall be made to determine the wholly in this state qualifying sales from each investment company. The qualifying sales for each investment company shall be multiplied by the respective percentage of each fund, as calculated pursuant to paragraph (a) of this subdivision. The product of this equation shall result in the wholly in this state qualifying sales. The qualifying sales for each investment company which are not wholly in this state will be considered wholly without this state;

(c) To the extent an investment funds service corporation has sales which are not qualifying sales, those nonqualified sales shall be apportioned to this state based on the methodology utilized by the investment funds service corporation without regard to this subdivision.

3. Any corporation described in subdivision (1) of subsection 1 of section 143.441 organized in this state or granted a permit to operate in this state for the transportation or care of passengers shall report its gross earnings within the state on intrastate business and shall also report its gross earnings on all interstate business done in this state which report shall be subject to inquiry for the purpose of determining the amount of income to be included in Missouri taxable income. The previous sentence shall not apply to a railroad.

4. A corporation described in subdivision (2) of subsection 1 of section 143.441 shall include in its Missouri taxable income all income arising from all sources in this state and all income from each transportation service wholly within this state, from each service where the only lines of such corporation used are those in this state, and such proportion of revenue from each service where the facilities of such corporation in this state and in another state or states are used, as the mileage used over the lines of such corporation in the state shall bear to the total mileage used over the lines of such corporation. The taxpayer may elect to compute the portion of income from all sources within this state in the following manner:

(1) The income from all sources shall be determined as provided;

(2) The amount of investment of such corporation on December thirty-first of each year in this state in fixed transportation facilities, real estate and improvements, plus the value on December thirty-first of each year of any fixed transportation facilities, real estate and improvements in this state leased from any other railroad shall be divided by the sum of the total amount of investment of such corporation on December thirty-first of each year in fixed transportation facilities, real estate and improvements, plus the value on December thirty-first of each year, of any fixed transportation facilities, real estate and improvements leased from any other railroad. Where any fixed transportation facilities, real estate or improvements are leased by more than one railroad, such portion of the value shall be used by each railroad as the rental paid by each shall bear to the rental paid by all lessees. The income shall be multiplied by the fraction thus obtained to determine the proportion to be used to arrive at the amount of Missouri taxable income.

5. A corporation described in subdivision (3) of subsection 1 of section 143.441 shall include in its Missouri taxable income one-half of the net income from the operation of a bridge between this and another state. If any such bridge is owned or operated by a railroad corporation or corporations, or by a corporation owning a railroad corporation

using such bridge, then the figures for operation of such bridge may be included in the return of such railroad or railroads; or if such bridge is owned or operated by any other corporation which may now or hereafter be required to file an income tax return, one-half of the income or loss to such corporation from such bridge may be included in such return by adding or subtracting same to or from another net income or loss shown by the return.

6. A corporation described in subdivision (4) of subsection 1 of section 143.441 shall include in its Missouri taxable income all income arising from all sources within this state. Income shall include revenue from each telephonic or telegraphic service rendered wholly within this state; from each service rendered for which the only facilities of such corporation used are those in this state; and from each service rendered over the facilities of such corporation in this state and in other state or states, such proportion of such revenue as the mileage involved in this state shall bear to the total mileage involved over the lines of said company in all states. The taxpayer may elect to compute the portion of income from all sources within this state in the following manner:

(1) The income from all sources shall be determined as provided;

(2) The amount of investment of such corporation on December thirty-first of each year in this state in telephonic or telegraphic facilities, real estate and improvements thereon, shall be divided by the amount of the total investment of such corporation on December thirty-first of each year in telephonic or telegraphic facilities, real estate and improvements. The income of the taxpayer shall be multiplied by fraction thus obtained to determine the proportion to be used to arrive at the amount of Missouri taxable income.

7. From the income determined in subsections 2, 3, 4, 5 and 6 of this section to be from all sources within this state shall be deducted such of the deductions for expenses in determining Missouri taxable income as were incurred in this state to produce such income and all losses actually sustained in this state in the business of the corporation.

8. If a corporation derives only part of its income from sources within Missouri, its Missouri taxable income shall only reflect the effect of the following listed deductions to the extent applicable to Missouri. The deductions are: (a) its deduction for federal income taxes pursuant to section 143.171, and (b) the effect on Missouri taxable income of the deduction for net operating loss allowed by Section 172 of the Internal Revenue Code. The extent applicable to Missouri shall be determined by multiplying the amount that would otherwise affect Missouri taxable income by the ratio for the year of the Missouri taxable income of the corporation for the year divided by the Missouri taxable income for the year as though the corporation had derived all of its income from sources within Missouri. For the purpose of the preceding sentence, Missouri taxable income shall not reflect the listed deductions.

9. Any investment funds service corporation organized as a corporation or S corporation which has any shareholders resided in this state shall be subject to Missouri income tax as provided in this chapter."; and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

Speaker Jones resumed the Chair.

Representative Haefner offered **House Amendment No. 1 to House Amendment No. 3.**

Representative Hummel raised a point of order that the distribution of **House Amendment No. 1 to House Amendment No. 3** was not timely.

The Chair ruled the point of order well taken.

On motion of Representative Burlison, **House Amendment No. 3** was adopted.



**MOTION**

Representative Hummel moved that further discussion of **HCS SS#2 SCS SBs 26, 11 & 31, as amended**, be postponed until such time that the formal challenge to the fiscal note, made on Monday, April 22, 2013, pursuant to Section 23.140.3 RSMo, has been evaluated and heard in front of the Joint Committee on Legislative Research; further, that discussion of the bill be postponed until such time that the fiscal note has been re-evaluated and re-submitted by the Oversight Division within Legislative Research.

Which motion was defeated by the following vote:

AYES: 050

Anders	Black	Burns	Butler	Carpenter
Colona	Conway 10	Curtis	Dunn	Ellinger
Ellington	English	Englund	Frame	Gardner
Harris	Hodges	Hubbard	Hummel	Kelly 45
Kirkton	Kratky	LaFaver	Mayfield	McCann Beatty
McDonald	McKenna	McManus	McNeil	Meredith
Mims	Mitten	Montecillo	Morgan	Newman
Nichols	Norr	Otto	Pace	Peters
Pierson	Rizzo	Roorda	Runions	Schieffer
Schupp	Swearingen	Walton Gray	Webber	Wright

NOES: 106

Allen	Anderson	Austin	Bahr	Barnes
Bernskoetter	Berry	Brattin	Brown	Burlison
Cierpiot	Conway 104	Cookson	Cornejo	Cox
Crawford	Cross	Curtman	Davis	Diehl
Dohrman	Dugger	Elmer	Engler	Entlicher
Fitzpatrick	Fitzwater	Flanigan	Fowler	Fraker
Franklin	Frederick	Funderburk	Gannon	Gatschenberger
Gosen	Grisamore	Haahr	Haefner	Hampton
Hansen	Hicks	Higdon	Hinson	Hoskins
Hough	Houghton	Hurst	Johnson	Jones 50
Justus	Keeney	Kelley 127	Koenig	Kolkmeyer
Korman	Lair	Lant	Lauer	Leara
Lichtenegger	Love	Lynch	Marshall	McCaherty
McGaugh	Messenger	Miller	Molendorp	Moon
Morris	Muntzel	Neely	Parkinson	Pfautsch
Pike	Pogue	Redmon	Rehder	Reiboldt
Remole	Rhoads	Richardson	Riddle	Ross
Rowden	Rowland	Scharnhorst	Schatz	Schieber
Shull	Shumake	Solon	Sommer	Spencer
Stream	Swan	Thomson	Torpey	Walker
White	Wieland	Wilson	Wood	Zerr
Mr Speaker				

PRESENT: 000

ABSENT WITH LEAVE: 007

Guernsey	May	Neth	Phillips	Smith 85
Smith 120	Webb			

Representative Cierpiot moved the previous question.

Which motion was adopted by the following vote:

AYES: 108

Allen	Anderson	Austin	Bahr	Barnes
Bernskoetter	Berry	Brattin	Brown	Burlison
Cierpiot	Conway 104	Cookson	Cornejo	Cox
Crawford	Curtman	Davis	Diehl	Dohrman
Dugger	Elmer	Engler	Entlicher	Fitzpatrick
Fitzwater	Flanigan	Fowler	Fraker	Franklin
Frederick	Funderburk	Gannon	Gatschenberger	Gosen
Grisamore	Guernsey	Haahr	Haefner	Hampton
Hansen	Hicks	Higdon	Hinson	Hoskins
Hough	Houghton	Hurst	Johnson	Jones 50
Justus	Keeney	Kelley 127	Koenig	Kolkmeier
Korman	Lair	Lant	Lauer	Leara
Lichtenegger	Love	Lynch	Marshall	McCaherty
McGaugh	Messenger	Miller	Molendorp	Moon
Morris	Muntzel	Neely	Neth	Parkinson
Pfausch	Phillips	Pike	Pogue	Redmon
Rehder	Reiboldt	Remole	Rhoads	Richardson
Riddle	Ross	Rowden	Rowland	Scharnhorst
Schatz	Schieber	Shull	Shumake	Solon
Sommer	Spencer	Stream	Swan	Thomson
Torpey	Walker	White	Wieland	Wilson
Wood	Zerr	Mr Speaker		

NOES: 047

Anders	Black	Burns	Butler	Carpenter
Colona	Conway 10	Curtis	Dunn	Ellinger
Ellington	English	Englund	Frame	Gardner
Harris	Hodges	Hubbard	Hummel	Kelly 45
Kirkton	Kratky	LaFaver	Mayfield	McCann Beatty
McDonald	McManus	McNeil	Meredith	Mims
Montecillo	Morgan	Newman	Nichols	Norr
Otto	Pace	Peters	Pierson	Rizzo
Runions	Schieffer	Schupp	Swearingen	Walton Gray
Webber	Wright			

PRESENT: 000

ABSENT WITH LEAVE: 008

Cross	May	McKenna	Mitten	Roorda
Smith 85	Smith 120	Webb		

On motion of Representative Koenig, **HCS SS#2 SCS SBs 26, 11 & 31, as amended**, was adopted.

On motion of Representative Koenig, **HCS SS#2 SCS SBs 26, 11 & 31, as amended**, was read the third time and passed by the following vote:

AYES: 090

Allen	Anderson	Austin	Bahr	Barnes
Bernskoetter	Berry	Brattin	Burlison	Cierpiot
Conway 104	Cookson	Cornejo	Cox	Crawford
Cross	Curtman	Davis	Diehl	Dohrman
Dugger	Elmer	Engler	Fitzwater	Flanigan
Franklin	Frederick	Funderburk	Gatschenberger	Gosen
Grisamore	Guernsey	Haefner	Hansen	Hicks
Higdon	Hinson	Hough	Houghton	Hurst
Jones 50	Keeney	Kelley 127	Koenig	Kolkmeyer
Korman	Lair	Lant	Lauer	Leara
Lichtenegger	Love	Lynch	McCaherty	McGaugh
Messenger	Miller	Moon	Morris	Muntzel
Neely	Neth	Parkinson	Pfautsch	Pike
Redmon	Rehder	Reiboldt	Remole	Rhoads
Richardson	Riddle	Ross	Scharnhorst	Schatz
Schieber	Shull	Shumake	Solon	Sommer
Spencer	Stream	Swan	Thomson	Walker
White	Wieland	Wilson	Zerr	Mr Speaker

NOES: 068

Anders	Black	Brown	Burns	Butler
Carpenter	Colona	Conway 10	Curtis	Dunn
Ellinger	Ellington	English	Englund	Entlicher
Fitzpatrick	Fowler	Fraker	Frame	Gannon
Gardner	Haahr	Hampton	Harris	Hodges
Hoskins	Hubbard	Hummel	Johnson	Justus
Kelly 45	Kirkton	Kratky	LaFaver	Marshall
Mayfield	McCann Beatty	McDonald	McKenna	McManus
McNeil	Meredith	Mims	Mitten	Molendorp
Montecillo	Morgan	Newman	Nichols	Norr
Otto	Pace	Peters	Phillips	Pierson
Pogue	Rizzo	Rowden	Rowland	Runions
Schieffer	Schupp	Swearingen	Torpey	Walton Gray
Webber	Wood	Wright		

PRESENT: 000

ABSENT WITH LEAVE: 005

May	Roorda	Smith 85	Smith 120	Webb
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Speaker Jones declared the bill passed.

## The emergency clause was adopted by the following vote:

AYES: 109

Allen	Anderson	Austin	Bahr	Barnes
Bernskoetter	Berry	Brattin	Brown	Burlison
Cierpiot	Conway 104	Cookson	Cornejo	Cox
Crawford	Cross	Curtman	Davis	Diehl
Dohrman	Dugger	Elmer	Engler	Entlicher
Fitzpatrick	Fitzwater	Flanigan	Fowler	Fraker
Franklin	Frederick	Funderburk	Gannon	Gatschenberger
Gosen	Grisamore	Guernsey	Haahr	Haefner
Hampton	Hansen	Hicks	Higdon	Hinson
Hoskins	Hough	Houghton	Hurst	Johnson
Jones 50	Justus	Keeney	Kelley 127	Kelly 45
Koenig	Kolkmeier	Korman	Lair	Lant
Lauer	Leara	Lichtenegger	Love	Lynch
McCaherty	McGaugh	Messenger	Miller	Molendorp
Moon	Morris	Muntzel	Neely	Neth
Pace	Parkinson	Pfausch	Phillips	Pike
Redmon	Rehder	Reiboldt	Remole	Rhoads
Richardson	Riddle	Ross	Rowden	Rowland
Scharnhorst	Schatz	Schieber	Shull	Shumake
Solon	Sommer	Spencer	Stream	Swan
Thomson	Torpey	Walker	White	Wieland
Wilson	Wood	Zerr	Mr Speaker	

NOES: 049

Anders	Black	Burns	Butler	Carpenter
Colona	Conway 10	Curtis	Dunn	Ellinger
Ellington	English	Englund	Frame	Gardner
Harris	Hodges	Hubbard	Hummel	Kirkton
Kratky	LaFaver	Marshall	Mayfield	McCann Beatty
McDonald	McKenna	McManus	McNeil	Meredith
Mims	Mitten	Montecillo	Morgan	Newman
Nichols	Norr	Otto	Peters	Pierson
Pogue	Rizzo	Runions	Schieffer	Schupp
Swearingen	Walton Gray	Webber	Wright	

PRESENT: 000

ABSENT WITH LEAVE: 005

May	Roorda	Smith 85	Smith 120	Webb
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## PERFECTION OF HOUSE BILLS

**HCS HB 675**, relating to diabetes training in public schools, was taken up by Representative Grisamore.

Representative Riddle offered **House Amendment No. 1**.

### *House Amendment No. 1*

AMEND House Committee Substitute for House Bill No. 675, Page 5, Section 167.824, Line 11, by inserting after all of said line the following:

**"Section 1. The Missouri state training center for the D.A.R.E. program shall develop the curriculum and certification requirements for school resource officers. At a minimum, school resource officers must complete forty hours of basic school resource officer training to include legal operations within an educational environment, intruder training and planning, juvenile law, and any other relevant topics relating to the job and functions of a school resource officer.";** and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

Representative Guernsey assumed the Chair.

On motion of Representative Riddle, **House Amendment No. 1** was adopted.

Representative Scharnhorst offered **House Amendment No. 2**.

### *House Amendment No. 2*

AMEND House Committee Substitute for House Bill No. 675, Page 1, Section A, Line 3, by inserting after all of said line the following:

**"161.450. 1. This section shall be known as "Cade's Law".**

**2. The department of elementary and secondary education shall develop and adopt rules relating to a physical fitness challenge for elementary, middle, and high school level students. The challenge shall include, but not be limited to, elements that address physical conditioning, flexibility, strength, and aerobic capacity and shall recognize individual, team, and school-wide performance.**

**3. Any rule or portion of a rule, as that term is defined in section 536.010, that is created under the authority delegated in this section shall become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule proposed or adopted after August 28, 2013, shall be invalid and void.";** and

Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.

On motion of Representative Scharnhorst, **House Amendment No. 2** was adopted.

On motion of Representative Grisamore, **HCS HB 675, as amended**, was adopted.

On motion of Representative Grisamore, **HCS HB 675, as amended**, was ordered perfected and printed.

**HCS HB 285**, relating to controlled substance distribution, was taken up by Representative Pace.

Representative McGaugh offered **House Amendment No. 1**.

**House Amendment No. 1** was withdrawn.

On motion of Representative Pace, **HCS HB 285** was adopted.

On motion of Representative Pace, **HCS HB 285** was ordered perfected and printed.

### **REFERRAL OF HOUSE JOINT RESOLUTION**

The following House Joint Resolution was referred to the Committee indicated:

**HCS HJR 26** - Fiscal Review

### **REFERRAL OF HOUSE BILLS**

The following House Bills were referred to the Committee indicated:

**HCS HB 78** - Fiscal Review

**HB 421** - Fiscal Review

**HCS HB 653** - Fiscal Review

**HCS HB 859** - Fiscal Review

**HCS HB 986** - Fiscal Review

### **COMMITTEE REPORTS**

**Committee on Budget**, Vice-Chairman Flanigan reporting:

Mr. Speaker: Your Committee on Budget, to which was referred **HJR 17**, begs leave to report it has examined the same and recommends that it **Do Pass**, and pursuant to Rule 25(34)(f) be referred to the Committee on Rules.

**Committee on Budget**, Chairman Stream reporting:

Mr. Speaker: Your Committee on Budget, to which was referred **HB 17**, begs leave to report it has examined the same and recommends that it **Do Pass with House Committee Substitute**, and pursuant to Rule 25(34)(f) be referred to the Committee on Rules.

Mr. Speaker: Your Committee on Budget, to which was referred **HB 18**, begs leave to report it has examined the same and recommends that it **Do Pass**, and pursuant to Rule 25(34)(f) be referred to the Committee on Rules.

Mr. Speaker: Your Committee on Budget, to which was referred **HB 19**, begs leave to report it has examined the same and recommends that it **Do Pass with House Committee Substitute**, and pursuant to Rule 25(34)(f) be referred to the Committee on Rules.

**Committee on Economic Development**, Chairman Zerr reporting:

Mr. Speaker: Your Committee on Economic Development, to which was referred **SCS SB 248**, begs leave to report it has examined the same and recommends that it **Do Pass**, and pursuant to Rule 25(34)(f) be referred to the Committee on Rules.

**Committee on Elections**, Chairman Entlicher reporting:

Mr. Speaker: Your Committee on Elections, to which was referred **SCS SB 2**, begs leave to report it has examined the same and recommends that it **Do Pass**, and pursuant to Rule 25(34)(f) be referred to the Committee on Rules.

Mr. Speaker: Your Committee on Elections, to which was referred **SB 99**, begs leave to report it has examined the same and recommends that it **Do Pass with House Committee Substitute**, and pursuant to Rule 25(34)(f) be referred to the Committee on Rules.

**Committee on General Laws**, Chairman Jones (50) reporting:

Mr. Speaker: Your Committee on General Laws, to which was referred **SB 23**, begs leave to report it has examined the same and recommends that it **Do Pass with House Committee Substitute**, and pursuant to Rule 25(34)(f) be referred to the Committee on Rules.

**Committee on International Trade**, Chairman McCaherty reporting:

Mr. Speaker: Your Committee on International Trade, to which was referred **SB 257**, begs leave to report it has examined the same and recommends that it **Do Pass**, and pursuant to Rule 25(34)(f) be referred to the Committee on Rules.

**Committee on Utilities**, Chairman Funderburk reporting:

Mr. Speaker: Your Committee on Utilities, to which was referred **SCS SB 240**, begs leave to report it has examined the same and recommends that it **Do Pass**, and pursuant to Rule 25(34)(f) be referred to the Committee on Rules.

Mr. Speaker: Your Committee on Utilities, to which was referred **SB 275**, begs leave to report it has examined the same and recommends that it **Do Pass with House Committee Substitute**, and pursuant to Rule 25(34)(f) be referred to the Committee on Rules.

**Committee on Workforce Development and Workplace Safety**, Chairman Lant reporting:

Mr. Speaker: Your Committee on Workforce Development and Workplace Safety, to which was referred **HB 1041**, begs leave to report it has examined the same and recommends that it **Do Pass with House Committee Substitute**, and pursuant to Rule 25(34)(f) be referred to the Committee on Rules.

**Committee on Rules**, Chairman Riddle reporting:

Mr. Speaker: Your Committee on Rules, to which was referred **HCS HJR 15**, begs leave to report it has examined the same and recommends that it **Do Pass**.

Mr. Speaker: Your Committee on Rules, to which was referred **HCS HJR 35**, begs leave to report it has examined the same and recommends that it **Do Pass**.

Mr. Speaker: Your Committee on Rules, to which was referred **HCS HB 350**, begs leave to report it has examined the same and recommends that it **Do Pass**.

Mr. Speaker: Your Committee on Rules, to which was referred **HCS HB 371**, begs leave to report it has examined the same and recommends that it **Do Pass**.

Mr. Speaker: Your Committee on Rules, to which was referred **HCS HB 464**, begs leave to report it has examined the same and recommends that it **Do Pass**.

Mr. Speaker: Your Committee on Rules, to which was referred **HCS SS#2 SCS SJR 16**, begs leave to report it has examined the same and recommends that it **Do Pass**.

Mr. Speaker: Your Committee on Rules, to which was referred **HCS SS#2 SCS SB 1**, begs leave to report it has examined the same and recommends that it **Do Pass**.

Mr. Speaker: Your Committee on Rules, to which was referred **SCS SB 36**, begs leave to report it has examined the same and recommends that it **Do Pass**.

Mr. Speaker: Your Committee on Rules, to which was referred **HCS SCS SB 88**, begs leave to report it has examined the same and recommends that it **Do Pass**.

Mr. Speaker: Your Committee on Rules, to which was referred **HCS SB 90**, begs leave to report it has examined the same and recommends that it **Do Pass**.

Mr. Speaker: Your Committee on Rules, to which was referred **HCS SCS SB 126**, begs leave to report it has examined the same and recommends that it **Do Pass**.



## **COMMITTEE CHANGE**

April 24, 2013

The Honorable Timothy Jones, Speaker  
Missouri House of Representatives  
201 W. Capitol Ave., RM 308  
Jefferson City, MO 65101

Dear Mr. Speaker:

I would like to notify you of the following changes to the current Issue Development Standing Committees:

- Rep. Craig Redmon added to the Issue Development Standing Committee on Missouri Ports

Sincerely,

/s/ Representative Dwight Scharnhorst  
Administration and Accounts, Chair

## **ADJOURNMENT**

On motion of Representative Diehl, the House adjourned until 10:00 a.m., Thursday, April 25, 2013.

## **COMMITTEE HEARINGS**

### **ADMINISTRATION AND ACCOUNTS**

Thursday, April 25, 2013, 9:30 AM, South Gallery.

Executive session may be held on any matter referred to the committee.

We will be discussing and voting on changes to member's expense accounts.

Please look for information in your email.

### **AGRI-BUSINESS**

Thursday, April 25, 2013, Upon Morning Adjournment, House Hearing Room 5.

Executive session may be held on any matter referred to the committee.

### **APPROPRIATIONS - AGRICULTURE AND NATURAL RESOURCES**

Tuesday, April 30, 2013, Upon Afternoon Adjournment, House Hearing Room 5.

Committee will review fee fund balances with the Department of Agriculture and the Department of Natural Resources

### **APPROPRIATIONS - HEALTH, MENTAL HEALTH, AND SOCIAL SERVICES**

Thursday, April 25, 2013, 1:00 PM or Upon Morning Adjournment, House Hearing Room 3.

Executive session may be held on any matter referred to the committee.

Demonstration of FQHC Data Warehouse

Continued discussion of Department of Social Services Revenue Maximization Policy

Department of Mental Health review of CMHC's role in healthcare delivery

APPROPRIATIONS - PUBLIC SAFETY AND CORRECTIONS

Tuesday, April 30, 2013, 12:00 PM or Upon Morning Recess, House Hearing Room 3.  
Executive session may be held on any matter referred to the committee.  
Continued conversation about Canteen and then onto MVE both in 2009 audit

BUDGET

Thursday, April 25, 2013, 8:30 AM, House Hearing Room 3.  
Executive session will be held: HCS HJR 14  
Executive session may be held on any matter referred to the committee.

DOWNSIZING STATE GOVERNMENT

Thursday, April 25, 2013, 8:00 AM, House Hearing Room 4.  
Public hearing will be held: SB 170  
Executive session may be held on any matter referred to the committee.

FISCAL REVIEW

Thursday, April 25, 2013, 8:30 AM, House Hearing Room 6.  
Executive session will be held: HCS HB 589, HCS HB 653, HCS SS SCS SB 125  
Executive session may be held on any matter referred to the committee.  
All bills referred to committee may be considered.  
AMENDED#2

GOVERNMENT OVERSIGHT AND ACCOUNTABILITY

Monday, April 29, 2013, 12:00 PM, House Hearing Room 7.  
Public hearing will be held: SS SB 251, SS SB 252  
Executive session may be held on any matter referred to the committee.

ISSUE DEVELOPMENT STANDING COMMITTEE ON MISSOURI PORTS

Wednesday, May 1, 2013, 7:00 PM, House Hearing Room 1.  
This will be an informational meeting.

JOINT COMMITTEE ON PUBLIC EMPLOYEE RETIREMENT

Thursday, May 2, 2013, 8:00 AM, House Hearing Room 1.  
Second quarter meeting

LOCAL GOVERNMENT

Thursday, April 25, 2013, 8:30 AM, House Hearing Room 5.  
Executive session may be held on any matter referred to the committee.  
AMENDED

RETIREMENT

Thursday, April 25, 2013, 9:00 AM, House Hearing Room 1.  
Public hearing will be held: HB 897  
Executive session may be held on any matter referred to the committee.  
CANCELLED

**RULES**

Thursday, April 25, 2013, Upon Morning Adjournment, South Gallery.

Executive session will be held: HCS HB 402, HB 427, HCS HB 430, HCS HB 484, HCS HB 513, HB 555, HCS HB 564, HCS SCS SB 9, SB 77, HCS SB 148, HCS SB 161, SB 216, HCS SB 222, SCS SB 224, HCS SS SCS SB 241, HCS SS SB 262, HCS SB 330, HCS SCS SB 33, HCS SB 51, HCS HB 717, HCS HB 727, HCS SB 23

Executive session may be held on any matter referred to the committee.

AMENDED#2

**TOURISM AND NATURAL RESOURCES**

Thursday, April 25, 2013, 8:00 AM, House Hearing Room 7.

Public hearing will be held: HB 871

Executive session will be held: SB 72, SB 218, HB 944, HB 835

Executive session may be held on any matter referred to the committee.

**HOUSE CALENDAR**

FIFTY-EIGHTH DAY, THURSDAY, APRIL 25, 2013

**HOUSE JOINT RESOLUTIONS FOR PERFECTION**

HJR 19 - Bahr

**HOUSE BILLS FOR PERFECTION**

- 1 HB 227 - Zerr
- 2 HB 423 - Zerr
- 3 HB 578, as amended - Funderburk
- 4 HCS HB 221 - Leara
- 5 HCS HB 701 - Molendorp
- 6 HB 255 - Torpey
- 7 HCS HB 458 - Scharnhorst
- 8 HB 242 - Ellington
- 9 HB 503, as amended, HA 1 HA 3, and HA 3, pending - McCaherty
- 10 HB 448 - Webb
- 11 HB 162 - Sommer
- 12 HCS HB 234 - Gatschenberger
- 13 HB 616 - Bahr
- 14 HB 185 - Kirkton
- 15 HCS HB 210 - Cox
- 16 HCS HB 630 - McCaherty
- 17 HB 336 - Hinson

**HOUSE BILLS FOR PERFECTION - FEDERAL MANDATE**

- 1 HB 635 - Fitzwater
- 2 HCS HB 771 - Schatz
- 3 HCS HB 611 - Lant

**HOUSE JOINT RESOLUTIONS FOR THIRD READING**

HCS HJR 26, (Fiscal Review 4/24/13) - Richardson

**HOUSE BILLS FOR THIRD READING**

- 1 HB 201 - Torpey
- 2 HCS HBs 521 & 579, (Fiscal Review 3/27/13) - Koenig
- 3 HCS HB 470 - Barnes
- 4 HCS#2 HB 178 - Koenig
- 5 HCS HB 589, (Fiscal Review 4/22/13), E.C. - Hinson
- 6 HCS HB 161 - Gatschenberger
- 7 HCS HB 348 - Neth
- 8 HCS HB 859, (Fiscal Review 4/24/13) - Brattin
- 9 HCS HB 275 - Brattin
- 10 HCS HB 76 - Rowland
- 11 HCS HB 78, (Fiscal Review 4/24/13) - Johnson
- 12 HCS HB 344, E.C. - Molendorp
- 13 HCS HB 387 - Frederick
- 14 HCS HB 415 - Phillips
- 15 HCS HB 601 - Richardson
- 16 HCS HB 653, (Fiscal Review 4/24/13) - Lauer
- 17 HCS HB 881, E.C. - Guernsey
- 18 HCS HB 543, E.C. - Hoskins
- 19 HCS HB 372 - Cox
- 20 HB 421, (Fiscal Review 4/24/13) - Curtman
- 21 HCS HB 541, E.C. - Hicks
- 22 HCS HB 986, (Fiscal Review 4/24/13), E.C. - Barnes

**HOUSE CONCURRENT RESOLUTIONS**

- 1 HCR 11 - Walton Gray
- 2 HCR 21 - Black
- 3 HCS HCR 17 - Frederick
- 4 HCR 34 - Houghton

**SENATE BILLS FOR THIRD READING - CONSENT**

- 1 SB 59 - Gosen
- 2 SB 60 - Gosen
- 3 SB 80 - Engler
- 4 HCS SB 188 - Romine
- 5 SB 234 - Burlison
- 6 SB 235 - Dugger
- 7 SB 306 - Elmer
- 8 SCS SB 324 - Hansen
- 9 SCS SB 376 - Frederick
- 10 SB 16 - Dugger

- 11 SCS SB 191 - McCaherty
- 12 SB 237 - Miller
- 13 SB 329 - Love

**SENATE BILLS FOR THIRD READING**

- 1 SCS SB 106 - Davis
- 2 HCS SCS SB 117 - Davis
- 3 HCS SCS SB 157 and SB 102 - Dugger
- 4 HCS SCS SB 186 - Davis
- 5 SB 197 - Frederick
- 6 SB 230 - Brattin
- 7 HCS SS SCS SB 125, (Fiscal Review 4/23/13) - Barnes
- 8 SS SB 28 - Cierpiot
- 9 SCS SB 254 - Crawford
- 10 SCS SB 287 - Gosen

**HOUSE BILLS WITH SENATE AMENDMENTS**

- 1 SCS HCS HB 1 - Stream
- 2 SCS HCS HB 2 - Stream
- 3 SCS HCS HB 3 - Stream
- 4 SCS HCS HB 4 - Stream
- 5 SCS HCS HB 5 - Stream
- 6 SCS HCS HB 6, as amended - Stream
- 7 SCS HCS HB 7, as amended - Stream
- 8 SCS HCS HB 8 - Stream
- 9 SCS HCS HB 9 - Stream
- 10 SCS HCS HB 10 - Stream
- 11 SCS HCS HB 11 , as amended - Stream
- 12 SCS HCS HB 12 - Stream
- 13 SCS HCS HB 13 - Stream
- 14 SS HCS HB 315 - Rowland
- 15 HB 68, SA 1 - Kelley (127)
- 16 HB 163, SA 1, SA 2, SA 4, SA 5, E.C. - Fitzpatrick
- 17 SCS HCS HBs 303 & 304, as amended - Scharnhorst

**BILLS CARRYING REQUEST MESSAGES**

SS HCS HJRs 11 & 7, as amended (request Senate recede/grant conference) - Reiboldt

**SENATE CONCURRENT RESOLUTIONS**

SCS SCR 5 - Frederick