



## Governmental Services Group

This shortened week in Missouri, politics were a little less animated than the celebrations of last week for Governor Kehoe's inauguration as the 58<sup>th</sup> Governor. This was also quite different than the inauguration week of former President Trump, who was sworn in as the 47<sup>th</sup> President, and president once again, in Washington on Monday.

Here in Missouri there may be less buzz, but bills have finally started to move after the anticipated slow start. The Missouri Senate began the hearing process sooner than expected, with well-attended healthcare hearings as well as a public safety hearing related to the takeover of the St. Louis Police force. Another major item on the agenda this week was the discussion of major tax cuts in the Senate General Laws committee.

The Republican supermajority moved the first of many tax cut bills, a proposed \$300 million exemption for the sale of farms, businesses, or assets such as cryptocurrency. Sen. Trent sponsored this proposal to exempt long-term capital gains, looking at the potential for future investments in the state as reasoning behind the proposal. The bill is the first of many tax cut proposals, similar to Gov. Kehoe's promise to reduce and eliminate the state income tax.

Additionally, the Missouri House held hearings on Wednesday on tax cut proposals, including the creation of a flat tax, repealing corporate income tax, as well as the creation of a mechanism to finance future tax cuts through a special fund. A reminder that while Missouri has a healthy fund balance, roughly \$4.1 billion, the tax receipts are expected to fall or remain flat through the next fiscal year, and much of that surplus is allocated towards a so-called "rainy day fund" that these tax cuts would likely dip into. The corporate income tax reduction would be an almost \$1 billion hit to the state annually.

It will be very interesting to see the long-term plans in the Governor's State of the State next week, January 28<sup>th</sup> at 3 p.m. The Governor will unveil his budget and lay out his policy priorities for the coming years in office. We will continue to keep you informed of the latest in Jefferson City.

## **Cannabis Provisions**

SB 54 (Shorer) Creates provisions relating to cannabis.

Under this act, no state agency or state employee shall disclose any personally identifying information of persons who have applied for or obtained a qualifying patient identification card, a qualifying patient cultivation identification card, or primary caregiver identification card for medical marijuana to the federal government or any federal employee, or other unauthorized third party.

Under this act, no marijuana dispensary selling marijuana, marijuana-infused products, or intoxicating cannabinoids to end user consumers shall create or retain any record containing a consumer's identifying information upon the consumer's written request. This provision shall not apply to any constitutionally-mandated record-keeping requirements relating to qualifying patients and primary caregivers.

This act establishes the "Intoxicating Cannabinoid Control Act". Under this act, intoxicating cannabinoid products shall be considered as marijuana and regulated as marijuana is regulated by the Department of Health and Senior Services under the Missouri Constitution. The Department shall collaborate with the Department of Public Safety to enforce the provisions of this act. Hemp, industrial hemp, and hemp-derived products containing no intoxicating cannabinoids shall not be subject to regulation under this act.

No person or entity other than a comprehensive or medical marijuana dispensary facility or a microbusiness dispensary facility shall carry on, conduct, or transact business under a name that contains as part of the name the word "dispensary".

Testifying in favor: American Trade Association for Cannabis and Hemp  
Missouri Independent Medical Cannabis Association

Testifying in opposition: Missouri Petroleum and Convenience Store Association, MO Hemp Trade Association, Individual Owners of Dispensaries in MO