

WEEKLY CAPITOL UPDATE

Monday, August 21, 2023

FINANCIAL ADVISORS SUE ASHCROFT

A trade group representing financial advisors is asking a federal judge to block regulations Missouri Secretary of State Jay Ashcroft recently imposed in an apparent attempt to prohibit socially conscious investment practices.

The group says Ashcroft's regulations are pre-empted

by federal law and are unconstitutionally vague.

The Securities Industry and Financial Markets Association filed its lawsuit in federal district court in Jefferson City on Aug. 10.

Ashcroft's new rules which took effect July 30 prohibit financial firms and their employees from offering investments and advice "that are not solely focused on maximizing a financial return" for the client.

"Investment advice routinely requires the consideration of multifaceted objectives that are customer-specific and may not be solely focused on maximizing financial returns," the lawsuit says.

"These objectives include the customer's personal appetite for risk and ability to bear investment losses. Investment professionals also commonly provide advice based upon estate planning, tax considerations, charitable giving and liquidity needs. Some customers also wish to incorporate faith or values-based objectives, or local community investment objectives into their investment selections.

"The Rules treat common considerations like these as 'nonfinancial objectives' and lump them together without distinction or difference. The Rules then go one step further and require clients to sign a state-mandated script any time they are provided a recommendation or advice that considers nonfinancial objectives. This type of regulation is entirely novel. There is no precedent for it in the securities laws, and none of the other 49 states require it."

The lawsuit specifically alleges the federal National Securities Markets Improvement Act of 1996 - which Congress enacted to provide consistent nationwide regulations for financial firms - bars states from regulating the activities of such firms, except for investigating allegations of fraud or deceit.

The plaintiffs are asking the court to declare the rules unconstitutional and permanently enjoin Ashcroft and his office from enforcing them.

No hearing has yet been set in the case, Securities Industry and Financial Markets Association v. John R. Ashcroft and Douglas M. Jacoby.

HEALTH REGULATION CASE REVIVED

The Missouri Supreme Court on Aug. 15 unanimously ruled Jackson and St. Louis Counties have the legal right to intervene in a case invalidating some state regulations relating to pandemic responses that the state's former attorney general invoked in an attempt to force local governments to rescind their COVID-19 mitigation measures.

In late 2021, Cole County Judge Dan Green ruled several Missouri Department of Health and Senior Services regulations authorizing local officials to respond to public health emergencies were unconstitutional. Although then-Attorney General Eric Schmitt was representing the Department in the case, he went against his client's wishes and refused to appeal the decision.

Schmitt then claimed Green's decision also invalidated any and all coronavirus restrictions - including those based on state laws not challenged in the case – an assertion rejected by a Jackson County judge earlier this year in another case.

Jackson and St. Louis Counties attempted to intervene in order to appeal in the Cole County case following Schmitt's refusal to do so, but Green said it was too late for them to get involved.

The Missouri Court of Appeals Western District subsequently agreed, holding the counties couldn't join the case after Green had already ruled, even though they couldn't anticipate Schmitt, now a U.S. senator, would prevent the Department from appealing. However, the Supreme Court took the opposite view.

Writing for the court, Judge Patricia Breckenridge said "it would not be reasonable to hold the counties should have known the attorney general, in his capacity as counsel for DHSS, would not continue to defend the regulations on appeal."

The court vacated Green's original ruling and ordered him to allow the counties to intervene in the case, Shannon Robinson, et al., v. Missouri Department of Health and Senior Services, et al.

SCHOOL ATTENDANCE LAW UPHELD

The Missouri Supreme Court on Aug. 15 unanimously rejected claims that the state's compulsory school attendance law is unconstitutionally vague.

The case involved the appeals of two Laclede County women separately convicted of failing to ensure their children attended school "on a regular basis".

Writing for the court, Judge Robin Ransom said although the term isn't defined in statute its meaning is clear to any reasonable person of normal intelligence.

"When measured by common understanding and practices, no Missouri parent would conclude attendance 'on a regular basis' means anything less than having their child go to school on those days the school is in session," Ransom wrote, noting that statutory exceptions to the requirement include when a child is unable to attend due to documented illness or injury.

The court also ruled the state had proved both plaintiffs had "knowingly" violated the law, a legal standard for convictions under the compulsory school attendance statute required by a 2005 Supreme Court precedent.

The cases, which were consolidated on appeal, are State of Missouri v. Caitlyn Cordell Williams and State of Missouri v. Tamarae Lynn Larue.

MARIJUANA REGULATORS BEING AUDITED

State Auditor Scott Fitzpatrick has quietly launched an audit of the Missouri Department of Health and Senior Services over its implementation of the state's medical and recreational marijuana programs.

The audit was neither regularly scheduled nor publicly

announced but is listed on the office's website and is currently in progress, the Missouri Independent reported on Aug. 15.

Missouri voters ratified a constitutional amendment legalizing marijuana for medical use in 2018 before authorizing it for recreational purposes with another constitutional amendment in 2022.

The Department has faced substantial criticism over its role in regulating the state's legal marijuana industry, including allegations of inconsistency and political favoritism in how it awarded the limited number of licenses it chose to issue for marijuana growers, distributors and retailers.

FISCAL YEAR BEGINS WITH REVENUE DOWN

Net state general revenue collections for July - the first month of the 2024 fiscal year - decreased 7.4% compared to the first month of FY 2023, going down from \$970.3 million last July to \$898.7 million this July.

FY 2023 ended June 30 with net collections up 2.7% over FY 2022.

The anticipated decline was largely due to a substantial income tax cut the Missouri General Assembly enacted

last fall that took effect in January. Comparing July 2023 to July 2022, individual income tax collections dropped 19.5% while corporate income and franchise tax collections were down 17.6%.



Earlier this month I had the opportunity to volunteer at Mayor Pro Tem, Councilwoman Ryana Parks-Shaw's 4th Annual Operation Backpack. This event was a huge success and it served thousands of local_residents with backpacks and school supplies and a variety of other items as we prepared for the first day of school.



Also, earlier this month I had the chance to participate in the annual bi-partisan Missouri against Illinois legislative softball game hosted by the St. Louis Chamber. It's always exciting to play at Busch stadium, home of the St. Louis Cardinals. I believe I was throwing the ball to first during warm-ups in this photo. Missouri won again this year, by a score of 10-2.



Last week I was happy to attend the National Conference of State Legislators in Indianapolis, Indiana where I was appointed by the Missouri Speaker of the House Dean Plocher to serve on NCSL's Law, Criminal Justice and Public Safety committee. On the first day, NCSL had a welcoming event at Lucas Oil stadium, home of the Indianapolis Colts, where my colleague, Missouri State Representative Michael Johnson and I were able to grab a photo.



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For more information, contact Adison Banks at GCTdirector@kccancompost.com or Bruce Holloway at resourcecoordinator@kccancompost.com



PUBLIC IMPROVEMENTS ADVISORY COMMITTEE

PUBLIC HEARINGS

FIFTH DISTRICT

Tuesday, Aug. 29 6 – 8 p.m.

Hillcrest Community Center 10401 Hillcrest Rd Tuesday, Sept. 5 6 – 8 p.m.

Southeast Community Center 4201 E 63rd St



SPEAK

EASY

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Understanding and Accessing MISSOURI MEDICAID

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Am I eligible?

Medicaid eligibility depends primarily on the size of your household and your gross monthly household income (before taxes and deductions). If your monthly income is lower than the number of people living in your home, you may qualify.

	(S)
1	\$1,481
2	\$2,003
3	\$2,525
4	\$3,048
5	\$3,570
6	\$4,092

How do I apply?

GOOD NEWS!

Applying is easy, and there are several convenient and accessible ways to do it!

Online:

Visit https://mydss.mo.gov/healthcare/apply to apply quickly via the DHSS web portal

By Phone:

Call the Missouri Family Support Division at (855)-373-4636 or (855)-373-9994

By Mail or Email:

Print and fill out an application provided at the web address listed above and mail to:

Family Support Division 615 E 13th St Kansas City, MO 64106

Or email to:

FSD.Documents@dss.mo.gov

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South KC Food Pantries

South Kansas City is fortunate to have several food pantries to help less-fortunate residents have enough healthy food to eat. These include:

Community Assistance Council, 10901 Blue Ridge Blvd. on the north end of the Ruskin High School campus, from 9 a.m. to 2:30 p.m. Monday, Tuesday, Thursday and Friday. Persons should call 816-763-3277, ext. 100, or email info@cackc.org for appointments or questions.

Red Bridge Area Food Pantry, 100 W. Red Bridge Rd. in the First Baptist Church of Kansas City, from 10 a.m. to noon on the third Saturday each month. Persons must call 816-908-7800 for appointments by the prior Wednesday.

Harvesters (the community food network) brings the semi-truck that serves as its mobile food pantry to seven sites in south Kansas City monthly to distribute fresh produce and other healthy food to families in need. The sites are:

Center School District, 8701 Holmes Rd., from 9 a.m. to 10:30 a.m. as long as food is left on the first Saturday of the month. <u>Persons</u> should drive through the bus parking lot to the district warehouse. The event is sponsored by Three Trails Community church in partnership with the Center School District.

Center District <u>Warehouse</u>, 8701 Holmes Rd., from 11:30 a.m. to 1:30 p.m. the second Friday of each month. Persons should go to the entrance to the Center Administrative Office and drive through the bus parking lot to the warehouse where volunteers will load the food. Persons should take the Troost Ave exit. The event is sponsored by the Center Education Foundation in partnership with the Center School District.

Evangel Church, 1414 E. 103^{et} St., from 7 to 8:30 a.m. the second Saturday of the month. Persons may remain in their vehicles, and food will be brought to them.

United Believers Community Church, 5600 E. 112th Terr., with vehicles lining up at 8:30 a.m. and contactless food distribution running from 9—to 11 a.m. the third Wednesday of the month.

Ruskin High School, 7000 E. 111* St., from 4 to 5:30 p.m. the third Thursday of the month. Vehicles should line up on Ruskin Way on the east side of the school, and staff and students will load the food when vehicles reach the school.

Colonial Presbyterian Church, 9500 Wornall Rd., with registration beginning at 8 a.m. and food distribution running from about 8:30 to 10 a.m. on the third Saturday of the month. Families are asked to bring two cardboard boxes for volunteers to put the food in.

Red Bridge United Methodist Church, 636 E. 117° St., from 2:30 to 3:30 p.m. on the fourth Friday of the month in the church parking lot.

Serve and Lift Center – South KC, 8001 Longview Rd., from 8:30 a.m. to 3:30 p.m. Monday, Tuesday, Wednesday and Thursday. Walk-in, call for an appointment or order online at https://catholiccharities-kcsj.org/pantry/





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Please don't hesitate to contact me with any feedback, questions or ideas!