

State Senator John Loudon Advances Job Creation Package

Successful Committee Hearings Pave Way For Senate, House Debate

JEFFERSON CITY – Senator John Loudon, R-Ballwin, today presided over a committee hearing on three Senate bills he has introduced that are designed to foster Missouri’s business climate and in turn boost the state’s economy.

“Local, state and national indicators are showing we’re heading into an economic recovery,” said Loudon, chairman of the Senate Small Business, Insurance and Industrial Relations Committee. “But we’re not out of the woods yet, which is why I’m drafting and advancing legislation allowing employers to hire people and grow their business, and corrects a regulatory climate that for too long has forced downsizing, layoffs, and lowered revenues for state services and programs.”

Loudon’s Senate Bill 856 reforms Missouri’s workers’ compensation law. Among several provisions, the bill allows payment for an injury only if incurred in an on-the-job accident that was the dominant factor in causing the condition. The act also limits benefits for pre-existing conditions exacerbated in work-related injuries and voids claims on injuries occurring en route to work.

“Anyone injured on the job should be justly compensated,” Loudon said. “My bill simply puts a series of checks and balances into the workers compensation system to make sure that employers are not defrauded by inflated, inaccurate and indefensible claims.”

Loudon’s SB 737 also seeks to lessen unreasonable costs to employers by reforming the state’s unemployment compensation laws. Among several provisions, the act requires the Division of Employment Security to regularly check to ensure that Missouri unemployment compensation recipients are not also earning wages. The bill also sets a maximum weekly benefit of \$250.

“Like workers’ comp., unemployment benefits are fully warranted by the vast majority of those receiving them,” Loudon said. “This bill merely infuses a set of best management practices into state government to keep fraud in check and the program solvent.”

Loudon said that current oversight, or lack thereof, has pushed the state’s unemployment compensation fund some \$175 million into the red at a rate that grows about \$1 million every day. To this end, Loudon also drafted a provision creating the Missouri Commission on Employment Security Financing, which would oversee the selling of bonds to revive the fund.

Loudon’s Open Contracting Act (Bill 736) reins in the corrosive powers of “project labor agreements” (PLAs) by preventing cities, counties and the state from imposing PLA and PLA-type labor requirements as conditions for building public works projects.

“PLAs are used by organized labor to essentially freeze out non-union contractors from bidding on civic projects,” Loudon said. “They twist the concept of open competition and circumvent the once generally accepted and widely practiced concept of fair play.”

Loudon noted that making project contractors hire most, if not all, of their workers from union halls and forcing participation in collective bargaining agreements are just a few of the damaging components of PLAs.

“These mandates exponentially increase the price of public projects,” Loudon said. “While those ultimately footing the bills – the taxpayers – are deservedly expecting and rightly demanding that these projects be built at the lowest possible cost.”

Loudon allows that organized labor played a part in improving employee conditions in the beginning decades of the 20th century, but affirms that the current union climate is driving businesses, revenues and jobs from the state.

“Contractors are well within their rights to operate as union shops,” Loudon said. “But those choosing not to should not be saddled with deal-breaking penalties.”

Committee approval of Loudon’s business development bills sends them to the Senate floor for debate by the full body. Senate passage sends the measures to the House for similar deliberations. Joint passage puts the bills into action.

“Missouri is in competition for jobs with 49 other states and hundreds of countries,” Loudon said. “There’s never been a more crucial time to make it easier to do – and grow – business in the Show-Me State.”

➤ Senator Loudon represents Missouri’s 7th Senate District.
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