



Driving the Economy

JEFFERSON CITY — Last week, the governor vetoed House Bill 327, an economic development bill. This bill had many great things that will spur job creation and economic development in Missouri. However the governor felt that too much of a good thing is sometimes not a good thing. Stating concerns over future fiscal budgets and his steadfast commitment to spend tax payer dollars wisely and within the limits of a balanced budget each year, the governor exercised his veto pen. However, it was done to promote job creation but with a more focused effort.

House Bill 327 contained many incentives for job creation, some affecting our area and some not. There were several key components that I am pleased that the executive branch has seen the benefit to Missourians if we were to enact such legislation. Speaking with the governor during his visit to St. Charles County, I got assurances that a special session will be convened to revisit the major points of the vetoed HB 327 to continue job creation in Missouri. In 2003, Missouri led the nation in job losses, with almost ninety thousand jobs having fled the state. Gov. Blunt made it his priority to stop the flow of jobs to other states and spur our economy. We answered by passing the Quality Jobs Act and Enhanced Enterprise Zones. This gives added tax credits to companies that created new jobs that pay at least the average of the pay scale for that county and pay at least 50 percent of the employee's healthcare costs. These programs have helped CREATE 95,000 high-paying jobs with benefits in our state since January of 2005.

When initially passed, we had a cap on the amount of tax credits in this program. We burned through that cap immediately and have seen a boom in Missouri's economy. Part of HB 327 was to increase the cap on those credits to encourage more job creation. I have previously written about the New Markets Tax Credit that I sponsored this year; it too, was a part of this omnibus economic development bill. This credit would be offered to investments dollars put into operating companies to help them expand or grow their business and hire new employees. It is a federal credit that, if used in Missouri, would qualify for a state credit. The key is they have to invest in companies in an economically distressed census tract. I have received word from Missouri's largest venture capital firm that there is \$99 million dollars waiting to be invested in Missouri if the New Markets Tax Credit gets final approval. An immediate 1,000 jobs will be created with this investment, but we are in jeopardy of these investments going to other states that already have the state tax credit match in place.

As you can see, I care deeply about helping families with quality jobs, with good family-supporting salaries, and with health care. I am happy that the governor has recognized several key pieces of the vetoed economic development bill and is working with lawmakers on a possible special session this fall to keep Missourians creating jobs and opportunities, but while doing so, keeping a strong fiscal grasp on the overall budget both now and for future generations.

If you have comments or questions about this week's column or any other matter involving state government, please do not hesitate to contact me. You can reach my office by phone at (866) 271-2844.

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