



A Special Session

JEFFERSON CITY — For several months, lawmakers worked on an economic development bill that we hoped would truly help the economy of this state. It started modestly enough, as just an increase to the already successful Quality Jobs Program that has helped create about 94,000 jobs in this state since it was created in 2005. But too many projects, many with very good intentions, ended up attached to the bill until it ballooned into a \$200 million a year behemoth when it would come to maturity in a few years. The governor had no choice but to veto the measure, and we as lawmakers get another chance to put together a package that will meet the economic needs of Missouri without breaking the bank.

In his veto message, the governor said HB 327 had grown out of control to an estimated \$200 million a year in tax breaks and incentives — too much, in his opinion, for state coffers to support. We, as lawmakers, have been working throughout the summer with our colleagues in the House to craft a compromise that will include about \$51 million in tax breaks in its first year, rising to about \$70 million by the time it hits maturity. That seems to be a more palatable number for all involved and could contain several measures important to our area.

First, we are trying to establish the state's New Markets Tax Credit. This would be modeled under the highly-successful federal program that allows taxpayers to receive a credit for making qualified equity investments in designated Community Development Entities (CDEs), which in turn, would provide investments in low-income communities. The new bill will also increase the money from \$12 million to \$40 million to the Quality Jobs Program — a program that has helped create 94,000 jobs in Missouri since it was started in 2005. The Distressed Areas Land Assemblage Tax Credit will also make the cut into the new economic development bill. It will grant tax credits of 50 percent of the cost and 100 percent of the interest incurred getting eligible land — a parcel consisting of at least 100 acres that was truly blighted and ripe for new businesses to come in and make that area a new, economic boon for the area. It's a good way for communities to get rid of bad eyesores while creating jobs and enhancing revenues.

Another important measure we'll consider in the special session is how to speed up the Missouri Department of Transportation's Safe & Sound Bridge program — a program designed to get about 800 of the state's worst bridges in good shape in the next few years and keep them that way for 25 years after. Next week, we'll talk more about what the Senate will need to do to help MoDOT hit that goal.

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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