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Jobs Bill A Positive Move for Our State

The bipartisan jobs bills (<u>HB 191</u>) passed by the General Assembly this year contained several economy-boosting measures that I believe will spur job growth and improve the state's economy. With this progressive legislation, Missouri businesses and corporations now have a larger set of tools for creating jobs and helping put Missourians back to work.

The legislation expands the state's successful Quality Jobs Act — a proven program that provides financial incentives for employers who create good paying jobs and offer basic healthcare — and Missouri BUILD (Business Use Incentives for Large-Scale Development) — a program that provides a financial incentive for the location or expansion of large business projects that demonstrate a need to reduce necessary infrastructure and equipment expenses. The bill also expands pre-employment training through the state's job-training program — a move that will enhance workers' job skills and employment eligibility.

Small businesses, which are the backbone of our state's economy, are set to receive much-needed tax relief under the General Assembly's economic plan through the phasing out of the corporate franchise tax. According to the Missouri Department of Revenue, eliminating franchise taxes will save approximately \$14.5 million for approximately 16,558 businesses with total assets below \$10 million. The average reduction per small business will be about \$875. This applies to 82 percent of all businesses that owed or paid this tax last year and is expected to help business owners reinvest in their companies and stay in operation.

The comprehensive jobs bill also increases the cap on the New

Markets Tax Credit program — an economic tool that encourages investment in small businesses located in distressed communities. This program is one I initially advanced in the General Assembly a few years ago and I am pleased lawmakers approved my proposal to expand this financial incentive to communities with the greatest need for economic development.

Another important feature of the jobs bill that drew much attention in the St. Louis community was the Historic Preservation Tax Credit Program. The financial incentive program was threatened with major cuts, but in the end the program was preserved with a reasonable cap, allowing communities access to this successful program that works to improve a community's appearance and economic viability. The program stimulates investment and job creation in urban cores, residential neighborhoods and small towns across the state through the reuse of buildings with historical and architectural significance.

Tax increment financing is also addressed in the jobs bill. The measure says cities that do not comply with Missouri TIF reporting requirements cannot start a new TIF district for the five years following. Tax increment financing is a tool that uses future gains in taxes to finance current improvements that will create those gains. Another measure taxpayer-protection measure I supported in the bill creates new guidelines for Transportation Development Districts (TDDs). Like TIFs, TDDs are a form of public-private partnership. They have proven themselves to be a less-expensive way for developers to construct new businesses and build the roads to get to them. The new legislation requires TDD board members to submit annual reports to the State Auditor and for public hearings to be held before a TDD is formed in any area to bring more accountability and oversight to the process.

Another measure in the jobs bill I want to mention will ban the increase in user fees and prevents new regulations on companies with less than 25 employees for four years. It's called the "Big Government Get Off My Back Act" — named by a Senate colleague who proposed it — and was designed to provide relief to small business owners who have taken a hard hit from the recent financial crisis and struggled to remain in operation.

Missouri's progressive economic package required major bipartisan support, and I am very pleased lawmakers reached a compromise that will help gets more Missourians back to work and help put our state's economy back on track.

Joint Interim Committee Named On Oversight of Federal Stimulus and Stabilization Funds

Recently I was appointed to serve on the Joint Interim Committee on Oversight of Federal Stimulus and Stabilization Funds — a committee that was created following the General Assembly's approval of <u>Senate Concurrent Resolution 27</u>, which I sponsored.

The newly formed committee will study ways to maximize the amount of federal funds received under the American Recovery and Reinvestment Act of 2009 and provide oversight to ensure that the funds are properly spent.

It will serve a very vital function as it examines any of the conditions or stipulations that are attached to the receipt of federal funds, ensures the one-time money is directed properly and spent wisely to benefit Missouri citizens, and determines the proper course of future legislative and budgetary action.

The committee is composed of three majority party members and two minority party members of the Senate appointed by the President Pro Tem and three majority party members and two minority party members of the House of Representatives appointed by the Speaker of the House. Other members appointed include Sen. Brad Lager, R-Savannah, Sen. Eric Schmitt, R-Glendale, Sen. Jeff Smith, D-St. Louis, and Sen. Robin Wright-Jones, D-St. Louis. Committee members from the Missouri House of Representatives include Rep. Allen Icet, R-Wildwood, Rep. Sally Faith, R-St. Charles, Rep. Steve Hobbs, R-Mexico, Rep. Chris Kelly, D-Columbia, and Rep. Roman LeBlanc, D-Kansas City.

The committee will function during the legislative interim between the first regular session of the 95th General Assembly through Jan. 15, 2010, of the second regular session of the 95th General Assembly.

Earlier this year I was elected chairman of the Senate Select Committee on Oversight of Federal Stimulus.

Governor Signs Bill Extending Unemployment Benefits

With less than a month remaining for the governor to sign bills into law, the vast majority of legislation passed in 2009 still awaits his signature. The most recent bill signed by the governor extends unemployment benefits to Missourians.

House Bill 1075 received the governor's signature last Friday (6/12). The measure extends and expands unemployment benefits for Missourians. House Bill 1075 contained an emergency clause, which means it took effect immediately upon receiving the governor's signature.

The measure, handled in the Senate by Sen. John Griesheimer (R-Washington), allows the state to receive extended federal unemployment money through the American Recovery and Reinvestment Act of 2009. In turn, the state will use those funds to extend the amount of time out-of-work Missourians can receive unemployment benefits and expand who may be eligible for such benefits.

House Bill 1075 specifies that the additional unemployment compensation can be offered to claimants during times of high unemployment (when the average total unemployment is greater than 6.5 percent during the most recent three-month period). This amounts to extending unemployment benefits from the typical 59 weeks to an additional possible 13 weeks (during at least 6.5 percent unemployment) or 20 weeks (during at least 8 percent unemployment).

The bill also expands the number of Missourians who may be eligible to receive unemployment compensation. Individuals will now be able to receive unemployment benefits if they were forced to leave their jobs because of a compelling family reason, including the illness or disability of an immediate family member, the need to relocate for a spouse's job, or because of a domestic violence situation. Also eligible to receive benefits are workers enrolled in a job training program.

For the expanded federal unemployment benefits to continue past 2009, the General Assembly must renew the provisions of HB 1075 next session or they will expire after the stimulus funding is depleted.

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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