



MISSOURI SENATE

JEFFERSON CITY

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**A Weekly Column for the
Week of Feb. 9, 2009**

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Economic Development

JEFFERSON CITY – This week I testified in support of a bill I filed designed to help bring manufacturing back to rural Missouri. We have lost a lot of manufacturing jobs in the last decade, especially in rural parts of the state. When a manufacturing plant closes in a small town it has a devastating effect on local retailers, on the local tax base and on the health of the community as a whole.

Senate Bill 193 creates a tax credit for equity investments in qualified Missouri businesses. Basically, it will help an entrepreneur get the start-up capital he needs to start a new manufacturing business in an existing plant that has closed. SB 193 authorizes the Department of Economic Development to issue up to two million dollars in tax credits each year to encourage investments in a new manufacturing business. To qualify for the tax credits, the company must be willing to locate its manufacturing business in an existing facility in a distressed community, it has to create at least 50 new jobs, offer health insurance to all of its full-time employees, and pay at least half of those insurance premiums. Investors who contribute the first three million dollars in equity investment can receive a tax credit equal to 50% of the investment.

Unlike tax credits for sports stadiums, these tax credits would create new wealth in Missouri. It will encourage venture capitalists to invest in our state at a time when the credit markets are frozen and entrepreneurs are having trouble finding financing. In Mexico, the company that started a new face brick manufacturing plant in the old A.P. Green Refractory site took 27 months to line up the financing to get the project started.

Speaking of tax credits, the Department of Economic Development recently approved a Neighborhood Assistance Program package for the Blue Ryno Foundation in Hannibal. The company will receive \$250,000 in tax credits to buy and renovate the MCM Bank Building in downtown Hannibal. The facility will house Blue Ryno's programs for terminally ill children and their families and will provide transitional housing for families who have lost their homes due to medical expenses. The facility will also serve as headquarters for a number of local nonprofit organizations.

The Department of Economic Development also has awarded a \$250,000 Community Development Block Grant to the city of Kirksville to renovate the historic Cochran Building in the downtown district.

We had a lot of visitors to our Capitol office this week, including representatives from Truman State University and the city of Kirksville, members of the Audrain County Crisis Intervention program, the Monroe County OATS program, the Mark Twain Counselors group, art advocacy groups and a lot of librarians who came to celebrate Librarian Day at the Capitol.

Finally, I want to mention I was appointed to the Senate Transportation Committee this week to fill a vacancy created by a member who had conflicting committee assignments. It's good to have a member of the Transportation Committee who supports farm-to-market roads and who knows the importance of keeping the maintenance sheds operating. MODOT has promised to keep our rural roads passable and safe and that can't be done if these maintenance sheds are shut down.

If you have any questions or comments about this or any other issue, give my Capitol office a call at (573) 751-7852, send me an email at wes.shoemyer@senate.mo.gov, or drop a line to Room 434, State Capitol, 201 West Capitol Ave., Jefferson City, MO 65101.