



June 5, 2009



First Step Reforms to Protect Taxpayers

The 2009 legislative session ended on May 15th. Over the next several weeks, I will be highlighting some of the major accomplishments of the session. While this year was not an easy one, I am pleased with the first step we completed to make tomorrow better than today for our state and local communities.

Last week, I discussed our work to attract companies, keep quality jobs, and help Missouri families during these tough times. Although, I am still calling for broader accountability and oversight yet to be endorsed by the General Assembly, this week, I want to discuss another important part of this year's economic development measure; reforming the overused and often wasteful tax credit system.

Much of the work to protect taxpayers through tax credit reform was accomplished by provisions I advocated for in reforming the Missouri Development Finance Board (MDFB). Throughout the year, I have expressed my strong desire to take away the MDFB's ability to approve unlimited amounts of credits by overriding the statutory cap on the board. I raised

objections after the members of the MDFB approved \$25 million in tax credits for parking lots at the Kansas City Chiefs' stadium and a new indoor training camp in St. Joseph. Despite my concerns, the MDFB met once again in March to hear a proposal from another professional sports team, this time, it was the St. Louis Cardinals.

Despite a long history of tax credit use and broken promises, the Cardinals asked for **\$88.8 million** in state MODESA (Missouri Downtown Economic Stimulus Act) subsidies to build the Ballpark Village, which has been estimated to cost \$600 million by the time it is completed. The MDFB has been approving quite a bit of tax credit dollars this past decade. Back in 2002, they gave clearance of \$30 million to help build the new Busch stadium in St. Louis. They also permitted \$50 million in 2006 to be spent on infrastructure improvements for Arrowhead and Kauffman stadiums. Had I sat back and not taken any action, the question arises: When would the malpractice of these tax credits cease?

Although in my opinion it does not go far enough, the MDFB's practice of awarding practically unlimited tax credits to professional sports teams will end with a provision I worked to include in House Bill 191, which limits the board to approving no more than \$25 million in tax credits. This limit will help eliminate excessive spending of MDFB and promote accountability in the process. We have to make sure that each tax credit is awarded responsibly and ensure that these incentives are not hindering our schools and other more meaningful programs.

Next week, I will expand on additional work we completed in House Bill 191 to better the economic environment for our small businesses. The bill was signed today by Governor Nixon, and I will keep you up-to-date on how these reforms will increase accountability when it comes to your tax dollars.

Contact Me

As always, I appreciate hearing your comments, opinions, and concerns. Please feel free to contact me in Jefferson City at (573) 751-2459. You may write to me at Jason Crowell; Missouri Senate; State Capitol; Jefferson City, MO 65101, or email me at:

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