

For Immediate Release

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# SHARING A VIEW OF THE STATE

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Issues and Comments – 33<sup>rd</sup> Senatorial District

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*Senator*

## **Chuck Purgason**

Over the past several weeks, I have discussed the tough economic times and the use of the federal government's stimulus funds. Missouri should not implement the fiscally risky policies so many other states, such as California, have done. There is a better way to make sure that our future is financially secure. If our General Assembly would implement a series of policy reforms this session it would place Missouri on a strong, fiscally sound path.

While our federal government in Washington is supporting plans that utilize money that is not there to help those that made bad choices, we here in Missouri should urge fiscal common sense to make sure your state taxpayer dollars are managed wisely.

It seems that our federal government is disregarding the important lesson of the Ant and the Grasshopper, which teaches us that hard work and thrift is the way to make it through a rough winter. Instead, officials in Washington are choosing to reward those who make irresponsible fiscal decisions, putting everyone's economic future at risk. We should not support misguided bailouts.

Earlier this year the Missouri Development Finance Board heard and approved, all in one day, \$25 million in tax credits for parking lots at the Kansas City Chiefs' stadium and a new indoor training camp in St. Joseph. This is on top of the \$50 million in tax credits this same board gave the Chiefs and Royals in 2006 for stadium enhancements.

The process that allows an earmark of this type to occur without legislative approval must be stopped. The Legislature cannot craft a responsible budget that meets our needs if we continue to allow unelected, appointed boards to spend your tax dollars like there is no tomorrow. These sweetheart deals and backroom agreements must come to an end.

In 2003 the General Assembly used bond financing to help close shortfalls in its general revenue. This \$387 million bond issue is now a debt that the state must pay with interest. Although we cannot pay off these bonds immediately without fees, there are specific times when we are able to pay off the debt before it reaches maturity. As an example, for the 2003 bonds this is in 2014.

I would suggest that Missouri use some of the federal stimulus dollars to pay off our debt, freeing up future state funds. Our state must not try to tax and spend its way out of economic distress, and we should not pass our debts on to future generations.

Federal stimulus funds are a one-time deal and now is not the time to be creating new, long-term spending programs with temporary dollars. Allowing the state to use these one-time funds to pay off our bonds in 2014 would reduce our debt and save the taxpayers a total of \$123.6 million in interest over the life of the bonds. This would also release the state from a \$28 million annual obligation each year between 2014 and 2029.

The issuance of tax credits in our state is out of control because of a lack of oversight and accountability. Tax credits, a dollar-for-dollar reduction in tax liability that would otherwise be due the state, have exploded in the last ten years, increasing by approximately 107 percent.

In order to responsibly manage the use of tax credits we must change our policy on the issuance and authorization of tax credits to include appropriate accountability and fiscal oversight. All tax credit expenditures should be approved by the General Assembly through the appropriations process like every other state expenditure.

Whether we spend a dollar on K-12 education or issue a dollar in tax credits, it all costs hard-working Missouri taxpayers the same. In tough economic times, we need to be able to weigh the importance of a dollar spent on a tax credit versus a dollar spent on a sheltered workshop or access to healthcare.

These common-sense reforms --- rejecting the bailout mindset, ending unaccountable spending, making common-sense decisions, and focusing on accountability and oversight --- are designed to place Missouri on a strong, fiscally sound path.

As always, I appreciate hearing your comments, opinions and concerns. I can be reached in Jefferson City at (573)751-1882, e-mail to [chuck.purgason@senate.mo.gov](mailto:chuck.purgason@senate.mo.gov) or regular mail at Missouri Senate, State Capitol, Room 420, Jefferson City, MO 65101.

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