



# MISSOURI SENATE

JEFFERSON CITY

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## **\*\*\*PRESS RELEASE\*\*\***

### **Senator Crowell Announces a True ‘Missouri First’ Jobs Plan**

*Makes Missouri Competitive for Business Growth  
while Providing Accountability to Current State Expenditures*

JEFFERSON CITY — Senator Jason Crowell, R – Cape Girardeau, through the introduction of four bills today, in addition to his already filed bill to make tax credits subject to appropriations announced his jobs plan aimed to create jobs and ensure Missouri is able to meet its obligations to vital state programs and fully fund the education foundation formula.

“After new calls for more failed tax credits and tax diversions, it is time that Missouri’s leaders be held accountable for their spending of hard earned taxpayer dollars and be forced to look at solutions that will create jobs,” said Sen. Crowell.

Sen. Crowell’s jobs plan includes five areas to address Missouri’s growing unemployment, which has reached its highest level since 1983, and to ensure Missouri’s budgetary priorities are fully funded.

Sen. Crowell concluded, “When Missouri acts on real ways to create jobs, provide transparency in how taxpayers’ dollars are spent, and ensure Missouri’s vital state services obligations are fully funded, then we are truly putting Missouri First.”

#### **Jobs Plan**

1. **Create jobs in Missouri by removing the restrictions current law has on companies.** SB 888 would make Missouri a Right to Work state and competitive with bordering the states of Kansas, Iowa, Nebraska, Oklahoma, Arkansas, and Tennessee, all of which are Right to Work states. Current regulations in Missouri impose heavy costs on employers and cause companies to move away or avoid moving to Missouri when creating new business locations. In December, the average unemployment rate of these states is 7.8% while Missouri’s rate is 9.6%.

Sen. Crowell said, “Governor Nixon declared in his State of the State address that he wants ‘Missouri to be first in job creation.’ If he is serious, then the numbers show that companies are moving to states that are Right to Work and it is time for politicians to stop protecting unions and start working for Missouri jobs.”

In December 2009, Right to Work states had a lower unemployment rate than state’s with union membership laws, where the six states in the nation with the lowest unemployment rates were all Right to Work. U.S. Department of Labor numbers show jobs in Right to Work states grew at 9.1%, or at 2.5 times faster than the rate of jobs in non-right to work states from 2003 to 2008. And since the beginning of 2007, all of Missouri’s surrounding Right to Work states have a higher percent change in personal income than Missouri.

2. **Guarantee Missouri's minimum wage does not exceed the national minimum wage.** The current minimum wage is tied to the Consumer Price Index and can increase each year. SB 889 would stop the adjustable minimum wage in Missouri and assure it never exceeds the federal minimum wage.

“With Missouri’s current minimum wage, there is uncertainty for companies of the cost to employ workers,” said Sen. Crowell. “By making labor costs tied to a uniform national standard, companies will be more willing to stay or move to Missouri, adding real jobs.”

3. **Reform Missouri's tax credit system.** SB 728 would rein in the abundance of bailouts for big businesses through tax credits and tax diversions – none of which have done anything to add real jobs or help small businesses, the economic engine of Missouri.

“Tax credits should be treated like every other state expenditure in order to weigh the benefit of a tax dollar spent on a tax credit against Missouri’s other state services,” stated Sen. Crowell. “Reforming the way Missouri issues tax credits provides greater accountability and oversight to how the state spends taxpayer money.”

SB 728 ensures Missouri’s budgetary priorities are protected by subjecting tax credits to the appropriations process. In this process, tax credit advocates would have the opportunity to present their case to the General Assembly for funding over other vital state programs such as fully funding education.

For example, the Governor’s proposed budget this year includes cutting \$87 million due in full funding of the foundation formula to K – 12 public schools and a 5.2% decrease to funding for higher education. But in SFY 2009, \$584 million in tax credits were redeemed and recently \$25 million for the Kansas City Chiefs and another \$19 million for land assemblage in St. Louis. And no reductions to tax credits were proposed in Governor Nixon’s budget. The appropriation process would allow the General Assembly to weigh a dollar spent on a tax credit against the dollars being cut from education.

Sen. Crowell added, “The greatest economic development plan is to invest in a student’s education; therefore, fully funding education in Missouri should be the state’s top priority. By subjecting tax credits to the appropriations process, the General Assembly can work to make sure big business bailouts are not chosen over education.”

4. **Place a moratorium on Low Income Housing Tax Credits (LIHTC) and MDFB tax credits.** SB 890 would stop the over market payments made to recipients of the Low Income Housing Tax Credits and by the MDFB.

An audit by the Missouri State Auditor of Low Income Housing Tax Credits in 2008 says that “for every \$1 in LIHTC authorized and issued, the current tax credit model provides only about \$.35 toward the development of housing.”

“This is an unacceptable return on investment for Missouri taxpayers and until the return on investment can be raised to an acceptable level, we need to stop issuing these tax credits,” said Sen. Crowell.

5. **Create ethics reform to the tax credit system.** SB 891 would ban tax credits from being issued to an individual or corporation who contribute to a political committee for two years. The ethics bill will also ban tax credits from being issued to those with a business relationship with a member or family member of the MDFB or MDHC board and would stop the stacking of tax credits.

“The current MDFB and MHDC system of issuing tax credits provides special interests a way to use backroom deals to funnel money towards projects that would never be approved by the General Assembly. By avoiding an open process for issuing tax credits, special interest continue to line their pockets with hard earned taxpayer money without being accountable for economic benefit,” stated Sen. Crowell.

He continued, “Tax credits should not be a reward to contributing to a campaign but instead a tool for economic growth in Missouri. Tax credit ethics reform will stop the backroom deals for tax credit earmarks and ensure that taxpayer dollars are being spent wisely,” said Sen. Crowell.

