

**Missouri Budget Project E-News  
Special Session Edition  
September 16, 2011**

**Special Session State Update**

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**1. Senate Rejects Proposal That Would Have Harmed 105,000 Missourians**

As previously reported, a wide ranging tax credit package under consideration by the Missouri legislature included a provision that would have eliminated the circuit breaker property tax credit for renters – even though the provision was not necessary to pay for the new tax incentives included in the bill. On Tuesday, the Senate approved an amendment offered by Senator Rob Schaaf (R-34) that removed this provision, and approved the entire bill ([Senate Bill 8](#)) on Wednesday.

[http://www.senate.mo.gov/11info/BTS\\_Web/Bill.aspx?SessionType=S1&BillID=4696928](http://www.senate.mo.gov/11info/BTS_Web/Bill.aspx?SessionType=S1&BillID=4696928)

The circuit breaker property tax credit is a cost-effective tool that helps certain low income individuals secure accessible housing and remain independent. Missouri seniors, veterans, and people living with disabilities can qualify for the credit if their annual incomes are below \$27,500 if single, and \$29,500 if married.

The Missouri Budget Project thanks everyone who took action and contacted their legislators about this critical issue, as well as Senator Schaaf and the sixteen additional Senators who voted for his amendment to protect the circuit breaker (Callahan, Chappelle-Nadal, Curls, Dempsey, Goodman, Green, Justus, Keaveny, Lamping, Lembke, McKenna, Nieves, Rupp, Schaefer, Schmitt, Wright-Jones).

The House Economic Development Committee will hear [SB 8](#) on Monday.

There is still time to contact your House member to **[urge them to oppose any bill that reduces or eliminates the circuit breaker property tax credit for renters](#)**. To access the Missouri Budget Project action alert, [click here](#).

<http://capwiz.com/mobudget/utr/1/DPBTQNIEBJ/NNGEQNIECL/7320039471>

To learn more about the circuit breaker property tax credit, read the Missouri Budget Project briefs:

[\*At Home Thanks to Circuit Breaker: Missouri's Circuit Breaker Helps Every County\*](#)  
[\*At Home Thanks to Missouri's Circuit Breaker: A Proven Effective Tax Credit that Helps Missouri Seniors & People Living with Disabilities Remain in Their Homes.\*](#)  
<http://capwiz.com/mobudget/utr/1/DPBTQNIIEBJ/DLKNQNIIECO/7320039471>

## **2. Senate Trims Aerotropolis Tax Credits**

In addition to the changes made to the circuit breaker tax credit, legislators made several changes to the overall bill, including:

- Removing tax credits for warehouse development. The bill now includes funding only for freight forwarders, reducing the cost of Aerotropolis from \$369 million to \$60 million.
- Cutting low-income housing tax credits by \$40 million in three years.
- Reducing historic preservation credits by \$60 million beginning this year.

Compete Missouri provisions remain in the bill. Provisions to establish the Missouri Science and Innovation Reinvestment Act (MOSIRA) were put into a separate bill, [Senate Bill 7](#). MOSIRA would offer tax credits for science and technology based companies.

[http://www.senate.mo.gov/11info/BTS\\_Web/Bill.aspx?SessionType=S1&BillID=4696927](http://www.senate.mo.gov/11info/BTS_Web/Bill.aspx?SessionType=S1&BillID=4696927)

## **3. Census Bureau Releases Poverty, Income, & Health Insurance Coverage Data**

This week, the U.S. Census Bureau released data from the Current Population Survey regarding poverty, income, and health insurance coverage. Data indicate that poverty has increased substantially in Missouri and across the country. Of note, in 2009-2010:

- Nearly 1 in 6 Missourians lived in poverty
- More than 850,000 Missourians (about 1 in 7) had no health insurance coverage
- About 1 in 11 Missouri children had no health insurance, compared to about 1 in 20 a decade ago.
- Missouri median income dropped by more than \$7,700 since 1999-2000.

The decreasing availability of employer sponsored health insurance is a primary cause for the shrinking number of Missourians with health coverage. To learn more about health insurance coverage in Missouri, read [\*U.S. Census Releases Current Population Survey Data on Health Insurance.\*](#)

[http://www.mobudget.org/articles/show/229-US\\_Census\\_Bureau\\_Releases\\_Current\\_Population\\_Survey\\_Data\\_on\\_Health\\_Insurance](http://www.mobudget.org/articles/show/229-US_Census_Bureau_Releases_Current_Population_Survey_Data_on_Health_Insurance)

Click [here](#) to read the Missouri Budget Project [press release](#) on the preliminary census data.

[http://www.mobudget.org/articles/show/227-Missourians\\_Struggle\\_with\\_Economic\\_Recovery\\_Poverty\\_and\\_the\\_Number\\_of\\_Uninsured\\_Rises](http://www.mobudget.org/articles/show/227-Missourians_Struggle_with_Economic_Recovery_Poverty_and_the_Number_of_Uninsured_Rises)

On Thursday, September 22<sup>nd</sup>, the Census Bureau will release more detailed poverty data from the American Community Survey. The Missouri Budget Project will issue further analysis after that time.

#### **4. Additional Mega Tax Petitions Filed that Would Cut General Revenue by One-Third**

Two additional initiative petitions have been filed that would cost Missouri at least \$2.5 billion in general revenue. In total, thirteen petitions have been filed with the Secretary of State. Although nine have been withdrawn by proponents of the measure, two have been approved for circulation.

The proposals to place a constitutional amendment before voters in November 2012 all phase out the state personal income tax and replace it with a higher, expanded sales tax. Unlike previous versions, the proposals do not even attempt to make up for the billions of dollars in state revenue that would be lost.

The estimated \$2.5 billion shortfall in general revenue would require deep cuts in K-12 education, higher education, health and mental health, and the services that result in a safe and healthy environment. The proposals would not allow us to make investments in the public structures that are needed to make Missouri a desirable place for families and for businesses.

To learn more about the mega tax petitions, see the Missouri Budget Project fact sheet, [Four New "Mega Sales Tax" Initiative Petitions Would Cut State General Revenue by One-Third.](http://www.mobudget.org/articles/show/226-Four-New-Mega-Tax-Initiative-Petitions-Would-Cut-State-General-Revenue-by-OneThird)  
[http://www.mobudget.org/articles/show/226-Four New Mega Tax Initiative Petitions Would Cut State General Revenue by OneThird](http://www.mobudget.org/articles/show/226-Four-New-Mega-Tax-Initiative-Petitions-Would-Cut-State-General-Revenue-by-OneThird)

#### **5. Senate Committee on Health Insurance Exchanges Holds Second Hearing**

The Senate Interim Committee on Health Insurance Exchanges held its second hearing yesterday in Jefferson City. Senator Rupp, the Committee Chair, invited public testimony before calling the invited presenters to offer their testimony. At the first hearing, held in Kansas City, many consumers were unable to testify when the Committee spent more than 2 hours questioning Attorney General Chris Koster and John Huff, Director of the Department of Insurance.

Several Senators in attendance expressed concern that the Governor may set up an initial governance structure for an exchange by executive order, rather than waiting for the legislature to act. A bill that would have established the structure and governing board for the exchange passed the House unanimously in the last session, but was stalled in the Senate.

There was a considerable buzz when news spread that the Missouri Health Insurance Pool Board was scheduled to vote on a resolution from Governor Nixon at their meeting, which was happening concurrently. The resolution authorized Director Huff to administer the federal grant Missouri recently received to support planning for its health insurance exchange. This would

allow Director Huff to award contracts and hire staff to continue the planning process. MHIP was the entity that submitted the application for the federal planning grant in June.

Senator Ridgeway suggested that the Chair end the hearing and that the members should drive over to the MHIP Board meeting to stop the vote. Senator Rupp continued the hearing as planned. Senators Lembke, Schaaf and Cunningham did leave and drove to the MHIP meeting. After a closed discussion, it was announced that the resolution would not be brought to a vote at the meeting. Governor Nixon issued a statement assuring the Senators that he was not trying to usurp the authority of the legislature to set up an exchange.

Chair Rupp stated that there would be a hearing in St. Louis in October and that it is likely that the Springfield hearing would be rescheduled. It was cancelled when Governor Nixon convened the Special Session.

## **6. Upcoming Hearings**

On Monday, September 19<sup>th</sup>, the House Economic Development Committee will hear SB 8 at 4 p.m. in Hearing Room #7.