

**Missouri Budget Project E-News
Special Session Edition
September 10, 2011**

Special Session State Update

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1. Proposal Would Harm 105,000 Missourians Unnecessarily - Still Needs Your Help

The Special Legislative Session began last week. Missouri legislators are considering a wide ranging tax credit package that includes the **elimination of the circuit breaker property tax credit for renters**.

Although the Senate Committee modified the bill, the circuit breaker remains largely at risk of being un-funded under the legislation.

The circuit breaker property tax credit is a cost-effective tool that helps certain low income individuals to secure accessible housing and remain independent. Missouri seniors, disabled 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.

Although some indicate that changes to the circuit breaker are necessary to pay for the larger tax credit and economic development package, changes to other tax credit programs already full fund new tax incentives. A fiscal summary of the bill shows that it produces \$1.5 billion in savings over 15 years, making the proposed changes to the circuit breaker eligibility not only harsh, but unnecessary.

There is still time to contact your legislators to **[urge them to oppose any bill that reduces or eliminates the circuit breaker property tax credit for renters](http://capwiz.com/mobudget/utr/1/DPBTQNIIEBJ/NNGEQNIECL/7320039471)**. To access the Missouri Budget Project action alert, [click here](http://capwiz.com/mobudget/utr/1/DPBTQNIIEBJ/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](http://capwiz.com/mobudget/utr/1/DPBTQNIIEBJ/DLKNQNIIECO/7320039471)

[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)

<http://capwiz.com/mobudget/utr/1/DPBTQNIIEBJ/DLKNQNIIECO/7320039471>

Other components of the tax credit package include:

- Creation of an [Aerotropolis tax credit](#) (to create a China “hub” at St. Louis’ airport);
- Creation of the Missouri Science and Innovation Reinvestment Act (tax credits for science and technology based companies);
- New tax credits to attract amateur sporting events to Missouri;
- New sales tax exemptions for data centers (hi-tech data warehouses);
- Reductions to historic preservation and low income housing tax credits.

<http://capwiz.com/mobudget/utr/1/DPBTQNIIEBJ/EXNVQNIIECP/7320039471>

2. Legislation Related to Disaster Recovery Moves Forward

The Missouri House passed three bills during the first week of the special session, which would begin to address disaster recovery financing. The bills passed the house with broad bipartisan endorsement.

House Bill 6 & 7 sponsored by Representative Ryan Silvey, Chair of the House Budget Committee, would establish the structure to allow the Missouri Legislature to utilize up to \$150 million of Missouri's Rainy Day Fund to cover disaster recovery costs. The Missouri Budget Project testified in support of the companion measures, which passed the house budget committee with a bipartisan vote of 22 to 1. The measures quickly passed the Missouri House, again with broad support by a vote of 127 to 22 on HB6 and a vote of 129 to 22 on HB7.

The Missouri Budget Project was the only organization to testify on the measures. The MBP supports utilizing the state Rainy Day Fund to meet critical emergency spending needs following the multiple natural disasters that hit Missouri this year. In addition, the Missouri Budget Project asked lawmakers to consider providing Missourians with the opportunity to reform the Rainy Day Fund to make it more useful during times of crisis. **The MBP thanks Representative Silvey for his leadership on this issue.**

To learn more about Missouri's Rainy Day Fund, read the Missouri Budget Project brief:

[Missouri's Rainy Day: Utilizing the State Rainy Day Fund and Options for Reform](http://capwiz.com/mobudget/utr/1/DPBTQNIEBJ/NJHMQNIECQ/7320039471)
<http://capwiz.com/mobudget/utr/1/DPBTQNIEBJ/NJHMQNIECQ/7320039471>

House Bill 5, sponsored by Representative Bill White of Joplin, would exempt from property tax assessments any commercial property that is destroyed or severely damaged to the point of being unusable by a natural disaster. The property would be exempt from local property tax assessments for the period it is unusable. Private housing is already exempt. The bill passed the Missouri House by a vote of 149 to 0.

3. Hearings the Week of September 12

Senate Ways and Means Committee

Tuesday 9/13/11, 8:30 a.m.

Discussing House Bill 5

House Interim Committee on Disaster Recovery

Tuesday 9/13/11, 2:00 p.m., in House Hearing Room 1

Will hear from the state departments and take public testimony on disaster efforts

Senate Interim Committee on Disaster Recovery

Wednesday 9/14/11, 8:00 a.m.

Senate Interim Committee on Health Insurance Exchanges

Thursday 9/15/11, 8:00 a.m. Senate Lounge

Will take public testimony

House Health, Mental Health and Social Services Appropriations

Thursday 9/15/11, 8:30 a.m. House Hearing Room 7

Will receive department updates