

Legislative Update – July 14, 2010

Submitted by: Brian Grace, MEDC Legislative Consultant

INCENTIVES FOR FORD APPROVED BY LEGISLATURE

A consortium of business groups scored a major victory this morning when Sen. Chuck Purgason (R-Caulfield) abandoned his 20-hour filibuster of legislation that would create the Manufacturing Jobs Act. The bill, which was subsequently approved by the House of Representatives and sent to Governor Nixon for his signature, would allow the Ford Motor Company to keep up to \$100 million in the withholding taxes of its employees over 10 years. Another \$50 million in similar incentives would be available for Ford suppliers and other automotive companies.

Although Ford has not yet made a public commitment to retain the workforce at its assembly facility in Claycomo, Department of Economic Development Director David Kerr told House and Senate committees two weeks ago that the jobs were all but lost if the legislation was not approved. The facility currently manufactures the F-150 pick-up and the Escape hybrid. Ford is contemplating moving the two Escape lines to a Kentucky facility and retooling the Claycomo facility to accommodate a new product.

Sen. Purgason opposed the legislation as a corporate bailout and, in fact, opposes all standard economic development practices. In a committee hearing last week he stated that Missouri "sucks" at economic development. In the past he has commented that the Department of Economic Development should be eliminated completely.

Sen. Purgason had temporarily blocked the bill last week when he refused to allow a vote on it in the Senate Committee on Government Accountability and Fiscal Oversight, which he chaired until Monday. To allow the legislation to progress, Senate President Pro Tem Charlie Shields (R-St. Joseph) took the rare step of revoking Sen. Purgason's chairmanship.

Sen. Purgason was joined in his filibuster by Sen. Matt Bartle (R-Lee's Summit) and Sen. Jack Goodman (R-Mount Vernon). The filibuster, which began at about 12:30 yesterday afternoon and ended at 8:55 this morning, is one of the longest in recent memory.

Brian Grace, MEDC Legislative Consultant