

HB 1521 -- MISSOURI BUSINESS USE INCENTIVE FOR LARGE-SCALE
DEVELOPMENT ACT

SPONSOR: Richard

COMMITTEE ACTION: Voted "do pass" by the Committee on Job
Creation and Economic Development by a vote of 18 to 0.

This bill expands the definition of "essential industry" to
include certain businesses in the City of Fenton. Currently,
only certain businesses in the City of Hazelwood are given this
designation.

In order to be deemed an essential industry, the business must:

- (1) Be located in the cities of Fenton or Hazelwood;
- (2) Invest \$500 million in an economic development project
within three years of receiving bonds or credits from the
Missouri Development Finance Board through the Business Use
Incentive for Large-Scale Development (BUILD) Program for
large-scale economic development projects;
- (3) Have maintained at least 2,000 jobs at the proposed project
site for a period of four years prior to applying for
participation in the BUILD Program; and
- (4) Maintain the same level of employment at the site for as
long as it participates in the BUILD Program.

FISCAL NOTE: No impact on state funds in FY 2007, FY 2008, and
FY 2009.

PROPOSERS: Supporters say that the bill will allow
DaimlerChrysler to take advantage of the same incentives offered
to Ford's Hazelwood plant. DaimlerChrysler will invest \$1
billion in its Fenton plant which has over 6,000 employees. More
jobs throughout the state are affected because of part suppliers
for the plant. The state is not the only investor in this
project. The City of Fenton and St. Louis County are each
putting in millions of dollars. These high-paying jobs will be
retained if the bill passes, and the state has an opportunity to
see a tremendous return on its investment. The average salary of
an auto worker is more than \$54,000 per year whereas the average
salary in Missouri is about \$33,000 per year. In order for
DaimlerChrysler to take advantage of these incentives, it must
retain these jobs for 10 years.

Testifying for the bill were Representatives Richard, Avery, and
Bowman; Department of Economic Development; DaimlerChrysler; and

St. Louis Community College.

OPPONENTS: There was no opposition voiced to the committee.

Alice Hurley, Legislative Analyst