

Minutes
Missouri Tax Credit Review Commission
Friday, October 8, 2010

The Missouri Tax Credit Review Commission met on Friday, October 8, 2010, beginning at 2 p.m. The meeting was held at the University of Missouri-Columbia, General Services Building, Room 194A, Columbia, Missouri 65211.

Commission members present:

Sen. Chuck Gross	Co-Chair
Steven Stogel	Co-Chair
Zack Boyers	Member
Rep. Tim Flook	Member
Luana Gifford	Member
Bill Hall	Member
Dee Joyner	Member
Rep. Sam Komo	Member
Alan Marble	Member
Troy Nash	Member
Tom Reeves	Member
Craig Van Matre	Member
Shannon Weber	Member
Mike Wood	Member
Sen. Robin Wright-Jones	Member

Guests present:

Chris Moody
Susan Henderson
Brian Schmidt
Leon Krieg
Sarah Topp
Tom Sullivan
Tracy King
Katie Watts
Jennifer Tidwell

Commission staff present:

Rex Burlison, Governor's Office
Chris Pieper, Department of Economic Development
Sallie Hemenway, Department of Economic Development

WELCOME AND CALL TO ORDER

Co-Chairmen Stogel and Gross welcomed members of the Commission and guests and called to order the meeting of the Missouri Tax Credit Review Commission.

APPROVAL OF MINUTES

Co-Chairman Gross called on the commission to review draft minutes from the previous commission meetings and public hearings. The only change to the draft minutes deemed necessary was the correction of Commissioner Komo's attendance from absent to present for the minutes of the September 8 Commission meeting. With that change, the following resolution was moved by Co-Chairman Stogel, seconded by Commissioner Hall, and unanimously approved:

RESOLVED, the Missouri Tax Credit Review Commission hereby approves the minutes for the following meetings:

- Commission meeting, September 8, 2010, Jefferson City, MO
- Public hearing, September 13, 2010, St. Joseph, MO
- Public hearing, September 14, 2010, Joplin, MO
- Public hearing, September 20, 2010, Cape Girardeau, MO
- Public hearing, September 21, 2010, St. Louis, MO

REPORT ON REGIONAL PUBLIC HEARINGS

Co-Chairman Stogel gave a brief overview of the Regional Public Hearings held throughout the state during the month of September. The Co-Chairs were pleased with the turnout at the hearings as well as the amount and quality of information garnered through public testimony. The Co-Chairs indicated that transcripts of the public hearings would be distributed to the Commission and posted to the website. In addition, the transcripts and written testimony would be organized by tax credit and provided to the applicable committee.

CHARGE AND PROGRESS OF COMMITTEES

The Commission heard reports from the various committees regarding their progress:

- Commissioner Boyers gave a brief overview of the progress and issues discussed during the three previous Historic Preservation Committee meetings and informed the Commission of the upcoming committee meeting on October 14 from 8 – 11 a.m., with subsequent meetings as needed.
- Co-Chair Stogel, on behalf of Commissioner Gardner and with the assistance of Commissioner Van Matre, gave an overview of the progress of the Low Income Housing Committee, which held its first meeting on October 7.

- Co-Chair Stogel indicated that a memo would be circulated to members of the Tax Law Committee and posted on the website detailing preliminary ideas regarding possible changes in tax law that could impact Missouri tax credits.
- Commissioner Wright-Jones gave a brief overview of the progress of the Distressed Communities Committee and informed the Commission of the upcoming committee meetings scheduled for October 18 (later rescheduled to October 19) and 21.
- Commissioner Hall gave a brief overview of the progress of the Social/Contribution Committee and informed the Commission of the upcoming committee meeting scheduled for October 18.
- Commissioner Marble gave a brief overview of the progress of the Agriculture and Environment Committee and informed the Commission of the committee's intent to schedule a meeting during the week of October 18.
- Co-Chairman Gross gave a brief overview of the progress of the Global Issues Committee, calling on all commissioners to bring forward global issues for discussion. The Co-Chairs indicated that they would put together and circulate a list of global issues that have been brought to their attention to date.

COMMISSIONER DISCUSSION

The Commission discussed a memorandum submitted by Commissioner Van Matre regarding the charge and progress of the Commission. The memorandum discussed clarifying the Commission's job, the method by which to perform that job, and timeframe within which to perform that job.

- a. Whether to eliminate one or more tax credit programs? The Commission agreed that this could be a possible recommendation.
- b. Whether to reduce the amount of credits authorized by one or more tax credit programs? The Commission agreed that this could be a possible recommendation.
- c. Whether to replace one or more tax credit programs with direct appropriations instead? The Commission agreed that this could be a possible recommendation.
- d. Whether tax credit programs we identify should be replaced with "demand side" programs instead, e.g., vouchers? The Commission agreed that this could be a possible recommendation.
- e. Whether part of our job is to identify tax credit programs which might be temporarily curtailed or "capped" in order to produce immediate budget savings? The Commissioner agreed that this could be a possible recommendation.

f. Whether part of our job is to suggest priorities among the tax credit programs so that if the Legislature and Governor want to achieve budget reductions by reducing tax credit programs, they will have the benefit of our opinion as to the rank or order of the tax credit programs should have in terms of preservation or elimination? The Commission agreed that ranking could be helpful, but did not agree on a method for performing such ranking.

g. Whether, in order to allow the Governor and Legislature to understand the reasoning behind our recommendations, we need to adopt a transparent and clearly articulated set of standards by which we have evaluated the tax credit programs and prioritized them? The Commission agreed that transparent and clearly articulated standards should be employed, but disagreed as to whether such standards would be the same for all programs.

The Commission agreed to the following timeline for the remaining work of the Commission:

- Committees would continue to meet to formulate recommendations to be submitted in reports to the full Commission by October 29 (but in no event later than November 1).
- The next full Commission meeting would be held on November 5th in Jefferson City from 9:30 a.m. to 5:00 p.m. The purpose of this meeting would be to discuss the individual committee and determine whether to modify, accept or reject their recommendations.
- The final Commission meetings would be held on November 16 and 17 beginning at 9 a.m. each day. During these meetings, the Commission would work to finalize the Commission Report, which is due to Governor Nixon by Thanksgiving.
- The Commission discussed the possibility of a back-up date for an additional meeting or conference call on November 22.

ADJOURNMENT

Having no further business on the agenda the following resolution was moved by Commissioner Komo, seconded by Commissioner Joyner, and unanimously approved:

RESOLVED, the Missouri Tax Credit Review Commission hereby adjourns.

Meeting adjourned at 3:39 p.m.