

SENATE SUBSTITUTE
FOR
SENATE COMMITTEE SUBSTITUTE

FOR
SENATE BILL NO. 594

AN ACT

To amend chapter 620, RSMo, by adding thereto one new section relating to workforce development.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF MISSOURI,
AS FOLLOWS:

1 Section A. Chapter 620, RSMo, is amended by adding thereto
2 one new section, to be known as section 620.2250, to read as
3 follows:

4 620.2250. 1. This section shall be known and may be cited
5 as the "Targeted Industrial Manufacturing Enhancement Zones Act".

6 2. As used in this section, the following terms shall mean:

7 (1) "County average wage", the average wage in each county
8 as determined by the department for the most recently completed
9 full calendar year. However, if the computed county average wage
10 is above the statewide average wage, the statewide average wage
11 shall be deemed the county average wage for such county for the
12 purpose of determining eligibility;

13 (2) "Department", the Missouri department of economic
14 development;

15 (3) "New job", the number of full-time employees located at
16 the project facility that exceeds the project facility base
17 employment less any decrease in the number of full-time employees

1 at related facilities below the related facility base employment.
2 No job that was created prior to the date of the completion of an
3 agreement pursuant to subsection 6 of this section and no job
4 that is relocated from another location within this state shall
5 be deemed a new job. An employee that spends less than fifty
6 percent of the employee's work time at the facility is still
7 considered to be located at a facility if the employee receives
8 his or her directions and control from that facility, is on the
9 facility's payroll, one hundred percent of the employee's income
10 from such employment is Missouri income, and the employee is paid
11 at or above the county average wage;

12 (4) "Political subdivision", a town, village, city, or
13 county located in this state;

14 (5) "Related facility", a facility operated by a company or
15 a related company prior to the establishment of the TIME zone in
16 question, and which is directly related to the operations of the
17 facility within the new TIME zone;

18 (6) "TIME zone", an area identified through an ordinance or
19 resolution passed pursuant to subsection 4 of this section that
20 is being developed or redeveloped for any purpose so long as any
21 infrastructure or building built or improved is in the
22 development area;

23 (7) "Zone board", the governing body of a TIME zone.

24 3. The governing bodies of at least two contiguous or
25 overlapping political subdivisions in this state may establish
26 one or more TIME zones, which shall be political subdivisions of
27 the state, for the purposes of completing infrastructure projects
28 to promote the economic development of the region. Such zones

1 may only include the area within the governing bodies'
2 jurisdiction, ownership, or control, and may include any such
3 area. The governing bodies shall determine the boundaries for
4 each TIME zone, and more than one TIME zone may exist within the
5 governing bodies' jurisdiction or under the governing bodies'
6 ownership or control, and may be expanded or contracted by
7 resolution of the zone board.

8 4. (1) To establish a TIME zone, the governing bodies of
9 at least two political subdivisions shall each propose an
10 ordinance or resolution creating such zone. Such ordinance or
11 resolution shall set forth the names of the political
12 subdivisions which will form the TIME zone, the general nature of
13 the proposed improvements, the estimated cost of such
14 improvements, the boundaries of the proposed TIME zone, and the
15 estimated number of new jobs to be created in the TIME zone.
16 Prior to approving such ordinance or resolution, each governing
17 body shall hold a public hearing to consider the creation of the
18 TIME zone and the proposed improvements therein. The governing
19 bodies shall hear and pass upon all objections to the TIME zone
20 and the proposed improvements, if any, and may amend the proposed
21 improvements, and the plans and specifications therefor.

22 (2) After the passage or adoption of the ordinance or
23 resolution creating the TIME Zone, governance of the TIME zone
24 shall be by the zone board, which shall consist of seven members
25 selected from the political subdivisions creating the TIME zone.
26 Members of a zone board shall receive no salary or other
27 compensation for their services as members, but shall receive
28 their necessary traveling and other expenses incurred while

1 actually engaged in the discharge of their official duties. The
2 zone board may expand or contract such TIME zone through an
3 ordinance or resolution following a public hearing conducted to
4 consider such expansion or contraction.

5 5. The boundaries of the proposed TIME zone shall be
6 described by metes and bounds, streets, or other sufficiently
7 specific description.

8 6. (1) Prior to retaining any state withholding tax
9 pursuant to subsection 9 of this section, a zone board shall
10 enter into an agreement with the department. Such agreement
11 shall include, but shall not be limited to:

12 (a) The estimated number of new jobs to be created;

13 (b) The estimated average wage of new jobs to be created;

14 (c) The estimated net fiscal impact of the new jobs;

15 (d) The estimated costs of the proposed improvements;

16 (e) The estimated amount of withholding tax to be retained
17 pursuant to subsection 9 of this section over the period of the
18 agreement; and

19 (f) A copy of the ordinance establishing the board and a
20 list of its members.

21 (2) The department shall not approve an agreement with a
22 zone board unless the zone board commits to creating the
23 following number of new jobs:

24 (a) For a TIME zone with a total population of less than
25 five thousand inhabitants as determined by the most recent
26 decennial census, a minimum of five new jobs with an average wage
27 that equals or exceeds ninety percent of the county average wage;

28 (b) For a TIME zone with a total population of at least

1 five thousand inhabitants but less than fifty thousand
2 inhabitants as determined by the most recent decennial census, a
3 minimum of ten new jobs with an average wage that equals or
4 exceeds ninety percent of the county average wage;

5 (c) For a TIME zone with a total population of at least
6 fifty thousand inhabitants but less than one hundred fifty
7 thousand inhabitants as determined by the most recent decennial
8 census, a minimum of fifteen new jobs with an average wage that
9 equals or exceeds ninety percent of the county average wage; and

10 (d) For a TIME zone with a total population of at least one
11 hundred fifty thousand inhabitants as determined by the most
12 recent decennial census, a minimum of twenty-five new jobs with
13 an average wage that equals or exceeds ninety percent of the
14 county average wage.

15 7. (1) The term of the agreement entered into pursuant to
16 subsection 6 of this section shall not exceed ten years. A zone
17 board may apply to the department for approval to renew any
18 agreement. Such application shall be made on forms provided by
19 the department. In determining whether to approve the renewal of
20 an agreement, the department shall consider:

21 (a) The number of new jobs created and the average wage and
22 net fiscal impact of such jobs;

23 (b) The outstanding improvements to be made within the TIME
24 zone and the funding necessary to complete such improvements; and

25 (c) Any other factor the department requires.

26 (2) The department may approve the renewal of an agreement
27 for a period not to exceed ten years. If a zone board has not
28 met the new job requirements pursuant to subdivision (2) of

1 subsection 6 of this section by the end of the agreement, the
2 department shall recapture from such zone board the amount of
3 withholding tax retained by the zone board pursuant to this
4 section and the department shall not approve the renewal of an
5 agreement with such zone board.

6 (3) A zone board shall not retain any withholding tax
7 pursuant to this section in excess of the costs of improvements
8 completed by the zone board.

9 8. If a qualified company is retaining withholding tax
10 pursuant to sections 620.2000 to 620.2020 for new jobs, as such
11 terms are defined in section 620.2005, that also qualify for the
12 retention of withholding tax pursuant to this section, the
13 department shall not authorize an agreement pursuant to this
14 section that results in more than fifty percent of the
15 withholding tax for such new jobs being retained pursuant to this
16 section and sections 620.2000 to 620.2020.

17 9. Upon the completion of an agreement pursuant to
18 subsection 6 of this section, twenty-five percent of the state
19 tax withholdings imposed by sections 143.191 to 143.265 on new
20 jobs within a TIME zone after development or redevelopment has
21 commenced shall not be remitted to the general revenue fund of
22 the state of Missouri. Such moneys shall be deposited into the
23 TIME zone fund established pursuant to subsection 10 of this
24 section for the purpose of continuing to expand, develop, and
25 redevelop TIME zones identified by the zone board, and may be
26 used for managerial, engineering, legal, research, promotion,
27 planning, and any other expenses.

28 10. There is hereby created in the state treasury the "TIME

1 Zone Fund", which shall consist of money collected under this
2 section. The state treasurer shall be custodian of the fund and
3 may approve disbursements from the fund in accordance with
4 sections 30.170 and 30.180 to the zone boards of the TIME zones
5 from which the funds were collected, less the pro-rata portion
6 appropriated by the general assembly to be used solely for the
7 administration of this section, which shall not exceed ten
8 percent of the total amount collected within the TIME zones of a
9 zone board. Notwithstanding the provisions of section 33.080 to
10 the contrary, any moneys remaining in the fund at the end of the
11 biennium shall not revert to the credit of the general revenue
12 fund. The state treasurer shall invest moneys in the fund in the
13 same manner as other funds are invested. Any interest and moneys
14 earned on such investments shall be credited to the fund.

15 11. The zone board shall approve projects consistent with
16 the provisions of this section that begin construction and
17 disburse any money collected under this section. The zone board
18 shall submit an annual budget for the funds to the department
19 explaining how and when such money will be spent.

20 12. A zone board shall submit an annual report by December
21 thirty-first of each year to the department and the general
22 assembly. Such report shall include, but shall not be limited
23 to:

24 (1) The locations of the established TIME zones governed by
25 the zone board;

26 (2) The number of new jobs created within the TIME zones
27 governed by the zone board;

28 (3) The average wage of the new jobs created within the

1 TIME zones governed by the zone board; and

2 (4) The amount of withholding tax retained pursuant to
3 subsection 9 of this section from new jobs created within the
4 TIME zones governed by the zone board.

5 13. No political subdivision shall establish a TIME zone
6 with boundaries that overlap the boundaries of an advanced
7 industrial manufacturing zone established pursuant to section
8 68.075.

9 14. The department may promulgate rules to implement the
10 provisions of this section. Any rule or portion of a rule, as
11 that term is defined in section 536.010, that is created under
12 the authority delegated in this section shall become effective
13 only if it complies with and is subject to all of the provisions
14 of chapter 536 and, if applicable, section 536.028. This section
15 and chapter 536 are nonseverable and if any of the powers vested
16 with the general assembly pursuant to chapter 536 to review, to
17 delay the effective date, or to disapprove and annul a rule are
18 subsequently held unconstitutional, then the grant of rulemaking
19 authority and any rule proposed or adopted after August 28, 2020,
20 shall be invalid and void.

21 15. Pursuant to section 23.253 of the Missouri sunset act:

22 (1) The provisions of the new program authorized pursuant
23 to this section shall sunset automatically on August 28, 2026,
24 unless reauthorized by an act of the general assembly;

25 (2) If such program is reauthorized, the program authorized
26 pursuant to this section shall sunset automatically twelve years
27 after the effective date of the reauthorization; and

28 (3) This section shall terminate on September first of the

1 calendar year immediately following the calendar year in which
2 the program authorized pursuant to this section is sunset.