

SECOND REGULAR SESSION  
SENATE COMMITTEE SUBSTITUTE FOR

# SENATE BILL NO. 594

100TH GENERAL ASSEMBLY

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Reported from the Committee on Economic Development, February 13, 2020, with recommendation that the Senate Committee Substitute do pass.

3170S.07C

ADRIANE D. CROUSE, Secretary.

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## AN ACT

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

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*Be it enacted by the General Assembly of the State of Missouri, as follows:*

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

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

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

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

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

**(3) "New job", the number of full-time employees located at the project facility that exceeds the project facility base employment less any decrease in the number of full-time employees at related facilities below the related facility base employment. No job that was created prior to the date of the completion of an agreement pursuant to subsection 6 of this section and no job that is relocated from another location within this state shall be deemed a new job. An employee that spends less than fifty percent of the employee's work time at the facility is still considered to be located at a facility if the employee**

21 receives his or her directions and control from that facility, is on the  
22 facility's payroll, one hundred percent of the employee's income from  
23 such employment is Missouri income, and the employee is paid at or  
24 above the county average wage;

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

27 (5) "Related facility", a facility operated by a company or a  
28 related company prior to the establishment of the TIME zone in  
29 question, and which is directly related to the operations of the facility  
30 within the new TIME zone;

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

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

36 3. The governing bodies of at least two contiguous or overlapping  
37 political subdivisions in this state may establish one or more TIME  
38 zones, which shall be political subdivisions of the state, for the  
39 purposes of completing infrastructure projects to promote the economic  
40 development of the region. Such zones may only include the area  
41 within the governing bodies' jurisdiction, ownership, or control, and  
42 may include any such area. The governing bodies shall determine the  
43 boundaries for each TIME zone, and more than one TIME zone may  
44 exist within the governing bodies' jurisdiction or under the governing  
45 bodies' ownership or control, and may be expanded or contracted by  
46 resolution of the zone board.

47 4. (1) To establish a TIME zone, the governing bodies of at least  
48 two political subdivisions shall each propose an ordinance or resolution  
49 creating such zone. Such ordinance or resolution shall set forth the  
50 names of the political subdivisions which will form the TIME zone, the  
51 general nature of the proposed improvements, the estimated cost of  
52 such improvements, the boundaries of the proposed TIME zone, and the  
53 estimated number of new jobs to be created in the TIME zone. Prior to  
54 approving such ordinance or resolution, each governing body shall hold  
55 a public hearing to consider the creation of the TIME zone and the  
56 proposed improvements therein. The governing bodies shall hear and  
57 pass upon all objections to the TIME zone and the proposed

58 improvements, if any, and may amend the proposed improvements, and  
59 the plans and specifications therefor.

60 (2) After the passage or adoption of the ordinance or resolution  
61 creating the TIME Zone, governance of the TIME zone shall be by the  
62 zone board, which shall consist of seven members selected from the  
63 political subdivisions creating the TIME zone. Members of a zone board  
64 shall receive no salary or other compensation for their services as  
65 members, but shall receive their necessary traveling and other  
66 expenses incurred while actually engaged in the discharge of their  
67 official duties. The zone board may expand or contract such TIME zone  
68 through an ordinance or resolution following a public hearing  
69 conducted to consider such expansion or contraction.

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

72 6. (1) Prior to retaining any state withholding tax pursuant to  
73 subsection 9 of this section, a zone board shall enter into an agreement  
74 with the department. Such agreement shall include, but shall not be  
75 limited to:

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

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

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

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

80 (e) The estimated amount of withholding tax to be retained  
81 pursuant to subsection 9 of this section over the period of the  
82 agreement; and

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

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

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

92 (b) For a TIME zone with a total population of at least five  
93 thousand inhabitants but less than fifty thousand inhabitants as  
94 determined by the most recent decennial census, a minimum of ten new

95 jobs with an average wage that equals or exceeds ninety percent of the  
96 county average wage;

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

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

106 7. (1) The term of the agreement entered into pursuant to  
107 subsection 6 of this section shall not exceed ten years. A zone board  
108 may apply to the department for approval to renew any  
109 agreement. Such application shall be made on forms provided by the  
110 department. In determining whether to approve the renewal of an  
111 agreement, the department shall consider:

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

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

116 (c) Any other factor the department requires.

117 (2) The department may approve the renewal of an agreement for  
118 a period not to exceed ten years. If a zone board has not met the new  
119 job requirements pursuant to subdivision (2) of subsection 6 of this  
120 section by the end of the agreement, the department shall recapture  
121 from such zone board the amount of withholding tax retained by the  
122 zone board pursuant to this section and the department shall not  
123 approve the renewal of an agreement with such zone board.

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

127 8. If a qualified company is retaining withholding tax pursuant  
128 to sections 620.2000 to 620.2020 for new jobs, as such terms are defined  
129 in section 620.2005, that also qualify for the retention of withholding  
130 tax pursuant to this section, the department shall not authorize an  
131 agreement pursuant to this section that results in more than fifty

132 percent of the withholding tax for such new jobs being retained  
133 pursuant to this section and sections 620.2000 to 620.2020.

134 9. Upon the completion of an agreement pursuant to subsection  
135 6 of this section, twenty-five percent of the state tax withholdings  
136 imposed by sections 143.191 to 143.265 on new jobs within a TIME zone  
137 after development or redevelopment has commenced shall not be  
138 remitted to the general revenue fund of the state of Missouri. Such  
139 moneys shall be deposited into the TIME zone fund established  
140 pursuant to subsection 10 of this section for the purpose of continuing  
141 to expand, develop, and redevelop TIME zones identified by the zone  
142 board, and may be used for managerial, engineering, legal, research,  
143 promotion, planning, and any other expenses.

144 10. There is hereby created in the state treasury the "TIME Zone  
145 Fund", which shall consist of money collected under this section. The  
146 state treasurer shall be custodian of the fund and shall approve  
147 disbursements from the fund in accordance with sections 30.170 and  
148 30.180 to the zone boards of the TIME zones from which the funds were  
149 collected, less the pro-rata portion appropriated by the general  
150 assembly to be used solely for the administration of this section, which  
151 shall not exceed ten percent of the total amount collected within the  
152 TIME zones of a zone board. Notwithstanding the provisions of section  
153 33.080 to the contrary, any moneys remaining in the fund at the end of  
154 the biennium shall not revert to the credit of the general revenue  
155 fund. The state treasurer shall invest moneys in the fund in the same  
156 manner as other funds are invested. Any interest and moneys earned  
157 on such investments shall be credited to the fund.

158 11. The zone board shall approve projects consistent with the  
159 provisions of this section that begin construction and disburse any  
160 money collected under this section. The zone board shall submit an  
161 annual budget for the funds to the department explaining how and  
162 when such money will be spent.

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

166 (1) The locations of the established TIME zones governed by the  
167 zone board;

168 (2) The number of new jobs created within the TIME zones

169 governed by the zone board;

170 (3) The average wage of the new jobs created within the TIME  
171 zones governed by the zone board; and

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

175 13. No political subdivision shall establish a TIME zone with  
176 boundaries that overlap the boundaries of an advanced industrial  
177 manufacturing zone established pursuant to section 68.075.

178 14. The department may promulgate rules to implement the  
179 provisions of this section. Any rule or portion of a rule, as that term is  
180 defined in section 536.010, that is created under the authority delegated  
181 in this section shall become effective only if it complies with and is  
182 subject to all of the provisions of chapter 536 and, if applicable, section  
183 536.028. This section and chapter 536 are nonseverable and if any of  
184 the powers vested with the general assembly pursuant to chapter 536  
185 to review, to delay the effective date, or to disapprove and annul a rule  
186 are subsequently held unconstitutional, then the grant of rulemaking  
187 authority and any rule proposed or adopted after August 28, 2020, shall  
188 be invalid and void.

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

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

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

196 (3) This section shall terminate on September first of the  
197 calendar year immediately following the calendar year in which the  
198 program authorized pursuant to this section is sunset.

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