

SECOND REGULAR SESSION

SENATE BILL NO. 594

100TH GENERAL ASSEMBLY

INTRODUCED BY SENATOR HOUGH.

Pre-filed December 1, 2019, and ordered printed.

ADRIANE D. CROUSE, Secretary.

3170S.02I

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:

Section A. Chapter 620, RSMo, is amended by adding thereto one new
2 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
2 "Targeted Industrial Manufacturing Enhancement Zones Act".**

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

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

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

12 **(3) "New job", the number of full-time employees located at the**
13 **project facility that exceeds the project facility base employment less**
14 **any decrease in the number of full-time employees at related facilities**
15 **below the related facility base employment. No job that was created**
16 **prior to the date of the completion of an agreement pursuant to**
17 **subsection 6 of this section shall be deemed a new job. An employee**
18 **that spends less than fifty percent of the employee's work time at the**
19 **facility is still considered to be located at a facility if the employee**
20 **receives his or her directions and control from that facility, is on the**
21 **facility's payroll, one hundred percent of the employee's income from**

22 such employment is Missouri income, and the employee is paid at or
23 above the county average wage;

24 (4) "Related facility", a facility operated by a company or a
25 related company prior to the establishment of the TIME zone in
26 question, and which is directly related to the operations of the facility
27 within the new TIME zone;

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

32 (6) "Zone board", the governing body of a TIME zone, which shall
33 be composed of the governing bodies of at least two political
34 subdivisions within this state;

35 3. The governing bodies of at least two political subdivisions in
36 this state may establish one or more TIME zones. Such zones may only
37 include the area within the governing bodies' jurisdiction, ownership,
38 or control, and may include any such area. The governing bodies shall
39 determine the boundaries for each TIME zone, and more than one TIME
40 zone may exist within the governing bodies' jurisdiction or under the
41 governing bodies' ownership or control, and may be expanded or
42 contracted by resolution of the zone board.

43 4. (1) To establish a TIME zone, the governing bodies of at least
44 two political subdivisions shall each propose an ordinance or resolution
45 creating such zone. Such ordinance or resolution shall set forth the
46 names of the political subdivisions which will form the TIME zone, the
47 general nature of the proposed improvements, the estimated cost of
48 such improvements, the boundaries of the proposed TIME zone, and the
49 estimated number of new jobs to be created in the TIME zone. Prior to
50 approving such ordinance or resolution, each governing body shall hold
51 a public hearing to consider the creation of the TIME zone and the
52 proposed improvements therein. The governing bodies shall hear and
53 pass upon all objections to the TIME zone and the proposed
54 improvements, if any, and may amend the proposed improvements, and
55 the plans and specifications therefor.

56 (2) After the passage or adoption of the ordinance or resolution
57 creating the TIME Zone, governance of the TIME zone shall be by the
58 zone board. The zone board may expand or contract such TIME zone

59 through an ordinance or resolution following a public hearing
60 conducted to consider such expansion or contraction.

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

63 6. (1) Prior to retaining any state withholding tax pursuant to
64 subsection 7 of this section, a zone board shall enter into an agreement
65 with each taxpayer creating new jobs within the TIME zone. Such
66 agreement shall include, but shall not be limited to:

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

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

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

70 (d) The estimated amount of withholding tax to be retained
71 pursuant to subsection 7 of this section over the period of the
72 agreement.

73 (2) (a) The term of the agreement entered into pursuant to
74 subdivision (1) of this subsection shall not exceed ten years. A zone
75 board may apply to the department for approval to renew any
76 agreement. Such application shall be made on forms provided by the
77 department. In determining whether to approve the renewal of an
78 agreement, the department shall consider:

79 a. Whether the estimated numbers of new jobs, average wage,
80 and net fiscal impact have been met;

81 b. The outstanding improvements to be made within the TIME
82 zone and the funding necessary to complete such improvements; and

83 c. The amount of withholding tax being retained by the zone
84 board pursuant to subsection 7 of this section through agreements with
85 other taxpayers;

86 (b) The department may approve the renewal of an agreement
87 for a period not to exceed ten years.

88 7. Upon the completion of an agreement pursuant to subsection
89 6 of this section, twenty-five percent of the state tax withholdings
90 imposed by sections 143.191 to 143.265 on new jobs within a TIME zone
91 after development or redevelopment has commenced shall not be
92 remitted to the general revenue fund of the state of Missouri. Such
93 moneys shall be deposited into the TIME zone fund established
94 pursuant to subsection 8 of this section for the purpose of continuing
95 to expand, develop, and redevelop TIME zones identified by the zone

96 board, and may be used for managerial, engineering, legal, research,
97 promotion, planning, and any other expenses.

98 8. There is hereby created in the state treasury the "TIME Zone
99 Fund", which shall consist of money collected under this section. The
100 state treasurer shall be custodian of the fund and shall approve
101 disbursements from the fund in accordance with sections 30.170 and
102 30.180 to the zone boards of the TIME zones from which the funds were
103 collected, less the pro-rata portion appropriated by the general
104 assembly to be used solely for the administration of this section, which
105 shall not exceed ten percent of the total amount collected within the
106 TIME zones of a zone board. Notwithstanding the provisions of section
107 33.080 to the contrary, any moneys remaining in the fund at the end of
108 the biennium shall not revert to the credit of the general revenue
109 fund. The state treasurer shall invest moneys in the fund in the same
110 manner as other funds are invested. Any interest and moneys earned
111 on such investments shall be credited to the fund.

112 9. The zone board shall approve any projects that begin
113 construction and disperse any money collected under this section. The
114 zone board shall submit an annual budget for the funds to the
115 department explaining how and when such money will be spent.

116 10. A zone board shall submit an annual report by December
117 thirty-first of each year to the department and the general
118 assembly. Such report shall include, but shall not be limited to:

119 (1) The locations of the established TIME zones governed by the
120 zone board;

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

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

125 (4) The amount of withholding tax retained pursuant to
126 subsection 7 of this section from new jobs created within the TIME
127 zones governed by the zone board.

128 11. No political subdivision shall establish a TIME zone with
129 boundaries that overlap the boundaries of an advanced industrial
130 manufacturing zone established pursuant to section 68.075.

131 12. The department may promulgate rules to implement the
132 provisions of this section. Any rule or portion of a rule, as that term is

133 defined in section 536.010 that is created under the authority delegated
134 in this section shall become effective only if it complies with and is
135 subject to all of the provisions of chapter 536 and, if applicable, section
136 536.028. This section and chapter 536 are nonseverable and if any of
137 the powers vested with the general assembly pursuant to chapter 536
138 to review, to delay the effective date, or to disapprove and annul a rule
139 are subsequently held unconstitutional, then the grant of rulemaking
140 authority and any rule proposed or adopted after August 28, 2020, shall
141 be invalid and void.

142 13. Pursuant to section 23.253 of the Missouri sunset act:

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

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

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

✓

Copy