

FIRST REGULAR SESSION

SENATE COMMITTEE SUBSTITUTE FOR

# SENATE BILL NO. 174

101ST GENERAL ASSEMBLY

---

---

0763S.03C

ADRIANE D. CROUSE, Secretary

---

---

## AN ACT

To repeal section 68.075, RSMo, and to enact in lieu thereof two new sections relating to certain infrastructure improvement districts.

---

---

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

Section A. Section 68.075, RSMo, is repealed and two new  
2 sections enacted in lieu thereof, to be known as sections 68.075  
3 and 620.2250, to read as follows:

68.075. 1. This section shall be known and may be  
2 cited as the "Advanced Industrial Manufacturing Zones Act".

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

5 (1) "AIM zone", an area identified through a  
6 resolution passed by the port authority board of  
7 commissioners appointed under section 68.045 that is being  
8 developed or redeveloped for any purpose so long as any  
9 infrastructure and building built or improved is in the  
10 development area. The port authority board of commissioners  
11 shall file an annual report indicating the established AIM  
12 zones with the department of revenue;

13 (2) "County average wage", the average wage in each  
14 county as determined by the Missouri department of economic  
15 development for the most recently completed full calendar  
16 year. However, if the computed county average wage is above  
17 the statewide average wage, the statewide average wage shall

**EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

18 be deemed the county average wage for such county for the  
19 purpose of determining eligibility;

20 (3) "New job", the number of full-time employees  
21 located at the project facility that exceeds the project  
22 facility base employment less any decrease in the number of  
23 full-time employees at related facilities below the related  
24 facility base employment. No job that was created prior to  
25 the date of the notice of intent shall be deemed a new job.  
26 An employee that spends less than fifty percent of the  
27 employee's work time at the facility is still considered to  
28 be located at a facility if the employee receives his or her  
29 directions and control from that facility, is on the  
30 facility's payroll, one hundred percent of the employee's  
31 income from such employment is Missouri income, and the  
32 employee is paid at or above the county average wage;

33 (4) "Related facility", a facility operated by a  
34 company or a related company prior to the establishment of  
35 the AIM zone in question located within any port district,  
36 as defined under section 68.015, which is directly related  
37 to the operations of the facility within the new AIM zone.

38 3. Any port authority located in this state may  
39 establish an AIM zone. Such zone may only include the area  
40 within the port authority's jurisdiction, ownership, or  
41 control, and may include any such area. The port authority  
42 shall determine the boundaries for each AIM zone, and more  
43 than one AIM zone may exist within the port authority's  
44 jurisdiction or under the port authority's ownership or  
45 control, and may be expanded or contracted by resolution of  
46 the port authority board of commissioners.

47 4. Fifty percent of the state tax withholdings imposed  
48 by sections 143.191 to 143.265 on new jobs within such zone  
49 after development or redevelopment has commenced shall not

50 be remitted to the general revenue fund of the state of  
51 Missouri. Such moneys shall be deposited into the port  
52 authority AIM zone fund established under subsection 5 of  
53 this section for the purpose of continuing to expand,  
54 develop, and redevelop AIM zones identified by the port  
55 authority board of commissioners and may be used for  
56 managerial, engineering, legal, research, promotion,  
57 planning, satisfaction of bonds issued under section 68.040,  
58 and any other expenses.

59         5. There is hereby created in the state treasury the  
60 "Port Authority AIM Zone Fund", which shall consist of money  
61 collected under this section. The state treasurer shall be  
62 custodian of the fund and shall approve disbursements from  
63 the fund in accordance with sections 30.170 and 30.180 to  
64 the port authorities from which the funds were collected,  
65 less the pro-rata portion appropriated by the general  
66 assembly to be used solely for the administration of this  
67 section which shall not exceed ten percent of the total  
68 amount collected within the zones of a port authority.  
69 Notwithstanding the provisions of section 33.080 to the  
70 contrary, any moneys remaining in the fund at the end of the  
71 biennium shall not revert to the credit of the general  
72 revenue fund. The state treasurer shall invest moneys in  
73 the fund in the same manner as other funds are invested.  
74 Any interest and moneys earned on such investments shall be  
75 credited to the fund.

76         6. The port authority shall approve any projects that  
77 begin construction and disperse any money collected under  
78 this section. The port authority shall submit an annual  
79 budget for the funds to the department of economic  
80 development explaining how and when such money will be spent.

81           7. The provision of section 23.253 notwithstanding, no  
82 AIM zone may be established after August 28, [2023] **2027**.  
83 Any AIM zone created prior to that date shall continue to  
84 exist and be coterminous with the retirement of all debts  
85 incurred under subsection 4 of this section. No debts may  
86 be incurred or reauthorized using AIM zone revenue after  
87 August 28, [2023] **2027**.

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

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

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

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

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

26 her directions and control from that facility, is on the  
27 facility's payroll, one hundred percent of the employee's  
28 income from such employment is Missouri income, and the  
29 employee is paid at or above the county average wage;

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

32 (5) "Related facility", a facility operated by a  
33 company or a related company prior to the establishment of  
34 the TIME zone in question, and which is directly related to  
35 the operations of the facility within the new TIME zone;

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

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

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

55 4. (1) To establish a TIME zone, the governing bodies  
56 of at least two political subdivisions shall each propose an  
57 ordinance or resolution creating such zone. Such ordinance

58 or resolution shall set forth the names of the political  
59 subdivisions which will form the TIME zone, the general  
60 nature of the proposed improvements, the estimated cost of  
61 such improvements, the boundaries of the proposed TIME zone,  
62 and the estimated number of new jobs to be created in the  
63 TIME zone. Prior to approving such ordinance or resolution,  
64 each governing body shall hold a public hearing to consider  
65 the creation of the TIME zone and the proposed improvements  
66 therein. The governing bodies shall hear and pass upon all  
67 objections to the TIME zone and the proposed improvements,  
68 if any, and may amend the proposed improvements, and the  
69 plans and specifications therefor.

70 (2) After the passage or adoption of the ordinance or  
71 resolution creating the TIME Zone, governance of the TIME  
72 zone shall be by the zone board, which shall consist of  
73 seven members selected from the political subdivisions  
74 creating the TIME zone. Members of a zone board shall  
75 receive no salary or other compensation for their services  
76 as members, but shall receive their necessary traveling and  
77 other expenses incurred while actually engaged in the  
78 discharge of their official duties. The zone board may  
79 expand or contract such TIME zone through an ordinance or  
80 resolution following a public hearing conducted to consider  
81 such expansion or contraction.

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

85 6. (1) Prior to retaining any state withholding tax  
86 pursuant to subsection 9 of this section, a zone board shall  
87 enter into an agreement with the department. Such agreement  
88 shall include, but shall not be limited to:

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

- 90           (b) The estimated average wage of new jobs to be  
91      created;
- 92           (c) The estimated net fiscal impact of the new jobs;
- 93           (d) The estimated costs of the proposed improvements;
- 94           (e) The estimated amount of withholding tax to be  
95      retained pursuant to subsection 9 of this section over the  
96      period of the agreement; and
- 97           (f) A copy of the ordinance establishing the board and  
98      a list of its members.
- 99           (2) The department shall not approve an agreement with  
100     a zone board unless the zone board commits to creating the  
101     following number of new jobs:
- 102           (a) For a TIME zone with a total population of less  
103     than five thousand inhabitants as determined by the most  
104     recent decennial census, a minimum of five new jobs with an  
105     average wage that equals or exceeds ninety percent of the  
106     county average wage;
- 107           (b) For a TIME zone with a total population of at  
108     least five thousand inhabitants but less than fifty thousand  
109     inhabitants as determined by the most recent decennial  
110     census, a minimum of ten new jobs with an average wage that  
111     equals or exceeds ninety percent of the county average wage;
- 112           (c) For a TIME zone with a total population of at  
113     least fifty thousand inhabitants but less than one hundred  
114     fifty thousand inhabitants as determined by the most recent  
115     decennial census, a minimum of fifteen new jobs with an  
116     average wage that equals or exceeds ninety percent of the  
117     county average wage; and
- 118           (d) For a TIME zone with a total population of at  
119     least one hundred fifty thousand inhabitants as determined  
120     by the most recent decennial census, a minimum of twenty-

121 five new jobs with an average wage that equals or exceeds  
122 ninety percent of the county average wage.

123 7. (1) The term of the agreement entered into  
124 pursuant to subsection 6 of this section shall not exceed  
125 ten years. A zone board may apply to the department for  
126 approval to renew any agreement. Such application shall be  
127 made on forms provided by the department. In determining  
128 whether to approve the renewal of an agreement, the  
129 department shall consider:

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

132 (b) The outstanding improvements to be made within the  
133 TIME zone and the funding necessary to complete such  
134 improvements; and

135 (c) Any other factor the department requires.

136 (2) The department may approve the renewal of an  
137 agreement for a period not to exceed ten years. If a zone  
138 board has not met the new job requirements pursuant to  
139 subdivision (2) of subsection 6 of this section by the end  
140 of the agreement, the department shall recapture from such  
141 zone board the amount of withholding tax retained by the  
142 zone board pursuant to this section and the department shall  
143 not approve the renewal of an agreement with such zone board.

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

147 8. If a qualified company is retaining withholding tax  
148 pursuant to sections 620.2000 to 620.2020 for new jobs, as  
149 such terms are defined in section 620.2005, that also  
150 qualify for the retention of withholding tax pursuant to  
151 this section, the department shall not authorize an  
152 agreement pursuant to this section that results in more than

153 fifty percent of the withholding tax for such new jobs being  
154 retained pursuant to this section and sections 620.2000 to  
155 620.2020.

156 9. Upon the completion of an agreement pursuant to  
157 subsection 6 of this section, twenty-five percent of the  
158 state tax withholdings imposed by sections 143.191 to  
159 143.265 on new jobs within a TIME zone after development or  
160 redevelopment has commenced shall not be remitted to the  
161 general revenue fund of the state of Missouri. Such moneys  
162 shall be deposited into the TIME zone fund established  
163 pursuant to subsection 10 of this section for the purpose of  
164 continuing to expand, develop, and redevelop TIME zones  
165 identified by the zone board, and may be used for  
166 managerial, engineering, legal, research, promotion,  
167 planning, and any other expenses.

168 10. There is hereby created in the state treasury the  
169 "TIME Zone Fund", which shall consist of money collected  
170 under this section. The state treasurer shall be custodian  
171 of the fund and may approve disbursements from the fund in  
172 accordance with sections 30.170 and 30.180 to the zone  
173 boards of the TIME zones from which the funds were  
174 collected, less the pro-rata portion appropriated by the  
175 general assembly to be used solely for the administration of  
176 this section, which shall not exceed ten percent of the  
177 total amount collected within the TIME zones of a zone  
178 board. Notwithstanding the provisions of section 33.080 to  
179 the contrary, any moneys remaining in the fund at the end of  
180 the biennium shall not revert to the credit of the general  
181 revenue fund. The state treasurer shall invest moneys in  
182 the fund in the same manner as other funds are invested.  
183 Any interest and moneys earned on such investments shall be  
184 credited to the fund.

185           11. The zone board shall approve projects consistent  
186 with the provisions of this section that begin construction  
187 and disburse any money collected under this section. The  
188 zone board shall submit an annual budget for the funds to  
189 the department explaining how and when such money will be  
190 spent.

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

195           (1) The locations of the established TIME zones  
196 governed by the zone board;

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

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

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

204           13. No political subdivision shall establish a TIME  
205 zone with boundaries that overlap the boundaries of an  
206 advanced industrial manufacturing zone established pursuant  
207 to section 68.075.

208           14. The total amount of withholding taxes retained by  
209 all TIME zones pursuant to the provisions of this section  
210 shall not exceed five million dollars per fiscal year.

211           15. The department may promulgate rules to implement  
212 the provisions of this section. Any rule or portion of a  
213 rule, as that term is defined in section 536.010, that is  
214 created under the authority delegated in this section shall  
215 become effective only if it complies with and is subject to  
216 all of the provisions of chapter 536 and, if applicable,

217 section 536.028. This section and chapter 536 are  
218 nonseverable and if any of the powers vested with the  
219 general assembly pursuant to chapter 536 to review, to delay  
220 the effective date, or to disapprove and annul a rule are  
221 subsequently held unconstitutional, then the grant of  
222 rulemaking authority and any rule proposed or adopted after  
223 August 28, 2021, shall be invalid and void.

224 16. The provisions of section 23.253 notwithstanding,  
225 no TIME zone may be established after August 28, 2024. Any  
226 TIME zone created prior to such date shall continue to exist  
227 and be coterminous with the retirement of any debts incurred  
228 for improvements made within the TIME zone. No debts may be  
229 incurred or reauthorized using TIME zone revenue after  
230 August 28, 2024.

✓