

FIRST REGULAR SESSION
SENATE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 5

101ST GENERAL ASSEMBLY

1041S.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Section A. Section 68.075, RSMo, is repealed and two new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

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

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

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

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

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

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

4. (1) To establish a TIME zone, the governing bodies of at least two political subdivisions shall each propose an 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;

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

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

(d) The estimated costs of the proposed improvements;

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

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

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

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

(b) For a TIME zone with a total population of at least five thousand inhabitants but less than fifty thousand inhabitants as determined by the most recent decennial census, a minimum of ten new jobs with an average wage that equals or exceeds ninety percent of the county average wage;

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

(d) For a TIME zone with a total population of at least one hundred fifty thousand inhabitants as determined 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

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

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

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

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