

FIRST REGULAR SESSION

# SENATE BILL NO. 174

## 101ST GENERAL ASSEMBLY

---

INTRODUCED BY SENATOR HOUGH.

---

0763S.01I

ADRIANE D. CROUSE, Secretary

---

### 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 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:

6 (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 11 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' jurisdiction or under the governing bodies' ownership or control, and may be expanded or contracted by resolution of the zone board.

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

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

✓