

FIRST REGULAR SESSION

SENATE BILL NO. 174

101ST GENERAL ASSEMBLY

INTRODUCED BY SENATOR HOUGH.

0763S.01H

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
2 one new section, to be known as section 620.2250, to read as
3 follows:

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

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

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

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

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

(c) Any other factor the department requires.

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

✓