

SECOND REGULAR SESSION

# HOUSE BILL NO. 1171

## 97TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE BUTLER.

4787L.011

D. ADAM CRUMBLISS, Chief Clerk

### AN ACT

To amend chapter 620, RSMo, by adding thereto one new section relating to the economic-education partnership program.

*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 620.3030, to read as follows:

**620.3030. 1. This section shall be known and may be cited as the "Economic-Education Partnership Act".**

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

**(1) "Educational benefits", the funds provided by an employer to a qualified individual or to an accredited educational institution for a period of up to five years to pay any portion of the tuition or fees for a qualified individual pursuing an associates degree, bachelors degree, masters degree, or doctorate degree in health care, engineering, or information technology related programs;**

**(2) "Employer", a business with facilities in Missouri that has entered into an agreement with the department of economic development that memorializes the employer's obligation to employ a qualified individual upon the completion of the individual's degree or training for at least the same length of time as the employer is authorized under this section to retain withholding taxes for the amount spent on providing educational benefits or training to the qualified individual;**

**(3) "Qualified individual":**

**(a) An individual:**

**a. Who is a resident of this state;**

EXPLANATION — Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

18           b. Who is employed by an employer in Missouri in a job for which the person is  
19 compensated at a rate that is no less than one hundred twenty percent of the state  
20 minimum wage;

21           c. Has an annual individual gross income of two hundred thousand dollars or less;  
22 and

23           d. Pursues an associates degree, bachelors degree, masters degree, or doctorate  
24 degree in health care, engineering, or information technology related programs, or receives  
25 training from the employer for an employment position in the health care, engineering, or  
26 information technology fields for no more than one year;

27           (b) An individual who is a resident of this state, is engaged in an unpaid internship  
28 at an employer in Missouri and pursues an associates degree, bachelors degree, masters  
29 degree, or doctorate degree in health care, engineering, or information technology related  
30 programs;

31           (4) "Withholding tax", the state tax imposed by sections 143.191 to 143.265.

32           3. An employer that provides educational benefits to a qualified individual, or  
33 trains a qualified individual for an employment position in the health care, engineering,  
34 or information technology fields for no more than one year, may retain one hundred  
35 percent of the withholding tax from the employer's employees up to:

36           (1) The amount of educational benefits provided for a period of five years from the  
37 first date on which the employer provides the educational benefits; or

38           (2) The amount of the wages the employer paid to the qualified individual while  
39 engaged in training the individual for an employment position in the health care,  
40 engineering, or information technology field for no more than one year for a period of five  
41 years from the first date on which the employer begins training the qualified individual.

42           4. Before an employer is authorized to retain withholding taxes under subsection  
43 3 of this section, the employer shall enter into an agreement with the department of  
44 economic development that memorializes the employer's obligation to employ a qualified  
45 individual for at least the same length of time as the employer is authorized to retain  
46 withholding taxes for the amount spent on providing educational benefits or training to the  
47 qualified individual pursuant to this section. Any employer who fails to comply with the  
48 agreement with the department shall immediately cease retaining any withholding tax and  
49 shall forfeit all rights to retain withholding tax. The employer shall repay any amounts of  
50 withholding tax retained plus interest of five percent per annum.

51           5. An employer shall not retain withholding tax for educational benefits or training  
52 provided to any qualified individual who is a relative of a director, manager, or owner of  
53 the business within the fourth degree, by consanguinity or affinity.

54           **6. The aggregate amount of withholding tax that may be retained by all employers**  
55 **under this section shall not exceed three hundred million dollars.**

56           **7. The department of economic development may audit employers to ensure**  
57 **compliance with the provisions of this section.**

58           **8. The department of economic development and the department of revenue may**  
59 **promulgate rules to implement the provisions of this section. Any rule or portion of a rule,**  
60 **as that term is defined in section 536.010, that is created under the authority delegated in**  
61 **this section shall become effective only if it complies with and is subject to all of the**  
62 **provisions of chapter 536 and, if applicable, section 536.028. This section and chapter 536**  
63 **are nonseverable and if any of the powers vested with the general assembly pursuant to**  
64 **chapter 536 to review, to delay the effective date, or to disapprove and annul a rule are**  
65 **subsequently held unconstitutional, then the grant of rulemaking authority, and any rule**  
66 **proposed or adopted after August 28, 2014, shall be invalid and void.**

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