

SECOND REGULAR SESSION

HOUSE BILL NO. 1695

100TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE BLACK (137).

4267H.011

DANA RADEMAN MILLER, Chief Clerk

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 mean:

(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 eligibility;

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

(3) "New job", the number of full-time employees located at the project facility that exceeds the project facility base employment less any decrease in the number of full-time employees at related facilities below the related facility base employment. No job that was created prior to the date of the completion of an agreement pursuant to subsection 6 of this section shall be deemed a new job. An employee that spends less than fifty percent of the employee's work time at the facility is still considered to be located at a facility if the employee receives his or her directions and control from that facility, is on the facility's

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.

17 payroll, one hundred percent of the employee's income from such employment is Missouri
18 income, and the employee is paid at or above the county average wage;

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

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

26 (6) "Zone board", the governing body of a TIME zone, which shall be composed
27 of the governing bodies of at least two political subdivisions in this state.

28 3. (1) The governing bodies of at least two political subdivisions in this state may
29 establish one or more TIME zones. Such zones shall only include the area within the
30 governing bodies' jurisdiction, ownership, or control, and may include any such area. The
31 governing bodies shall determine the boundaries for each TIME zone. More than one
32 TIME zone may exist within the governing bodies' jurisdiction or under the governing
33 bodies' ownership or control, and a TIME zone may be expanded or contracted by
34 resolution of the zone board.

35 4. (1) To establish a TIME zone, the governing bodies of at least two political
36 subdivisions shall each propose an ordinance or resolution creating such zone. Such
37 ordinance or resolution shall set forth the names of the political subdivisions that will form
38 the TIME zone, the general nature of the proposed improvements, the estimated cost of
39 such improvements, the boundaries of the proposed TIME zone, and the estimated number
40 of new jobs to be created in the TIME zone. Prior to approving such ordinance or
41 resolution, each governing body shall hold a public hearing to consider the creation of the
42 TIME zone and the proposed improvements therein. The governing bodies shall hear and
43 pass upon all objections to the TIME zone and the proposed improvements, if any, and
44 may amend the proposed improvements and the plans and specifications therefor.

45 (2) After the passage or adoption of the ordinance or resolution creating the TIME
46 zone, governance of the TIME zone shall be by the zone board. The zone board may
47 expand or contract such TIME zone through an ordinance or resolution following a public
48 hearing conducted to consider such expansion or contraction.

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

51 6. (1) Prior to retaining any state withholding tax pursuant to subsection 7 of this
52 section, a zone board shall enter into an agreement with each taxpayer creating new jobs
53 within the TIME zone. Such agreement shall include, but not be limited to:

- 54 (a) The estimated number of new jobs to be created;
55 (b) The estimated average wage of new jobs to be created;
56 (c) The estimated net fiscal impact of the new jobs; and
57 (d) The estimated amount of withholding tax to be retained pursuant to subsection
58 7 of this section over the period of the agreement.

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

64 a. Whether the estimated numbers of new jobs, average wage, and net fiscal impact
65 have been met;

66 b. The outstanding improvements to be made within the TIME zone and the
67 funding necessary to complete such improvements; and

68 c. The amount of withholding tax being retained by the zone board pursuant to
69 subsection 7 of this section through agreements with other taxpayers.

70 (b) The department may approve the renewal of an agreement for a period not to
71 exceed ten years.

72 7. Upon the completion of an agreement pursuant to subsection 6 of this section,
73 twenty-five percent of the state tax withholdings imposed by sections 143.191 to 143.265
74 on new jobs within a TIME zone after development or redevelopment has commenced shall
75 not be remitted to the general revenue fund. Such moneys shall be deposited into the
76 TIME zone fund established pursuant to subsection 8 of this section for the purpose of
77 continuing to expand, develop, and redevelop TIME zones identified by the zone board and
78 may be used for managerial, engineering, legal, research, promotion, planning, and any
79 other expenses.

80 8. There is hereby created in the state treasury the "TIME Zone Fund", which shall
81 consist of moneys collected under this section. The state treasurer shall be custodian of the
82 fund and shall approve disbursements from the fund in accordance with sections 30.170
83 and 30.180 to the zone boards of the TIME zones from which the funds were collected, less
84 the pro rata portion appropriated by the general assembly to be used solely for the
85 administration of this section, which shall not exceed ten percent of the total amount
86 collected within the TIME zones of a zone board. Notwithstanding the provisions of

87 section 33.080 to the contrary, any moneys remaining in the fund at the end of the
88 biennium shall not revert to the credit of the general revenue fund. The state treasurer
89 shall invest moneys in the fund in the same manner as other funds are invested. Any
90 interest and moneys earned on such investments shall be credited to the fund.

91 9. The zone board shall approve any projects that begin construction and disburse
92 any moneys collected under this section. The zone board shall submit an annual budget
93 for the funds to the department explaining how and when such moneys will be spent.

94 10. A zone board shall submit an annual report by December thirty-first of each
95 year to the department and the general assembly. Such report shall include, but not be
96 limited to:

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

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

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

102 (4) The amount of withholding tax retained pursuant to subsection 7 of this section
103 from new jobs created within the TIME zones governed by the zone board.

104 11. No political subdivision shall establish a TIME zone with boundaries that
105 overlap the boundaries of an advanced industrial manufacturing zone established pursuant
106 to section 68.075.

107 12. The department may promulgate rules to implement the provisions of this
108 section. Any rule or portion of a rule, as that term is defined in section 536.010, that is
109 created under the authority delegated in this section shall become effective only if it
110 complies with and is subject to all of the provisions of chapter 536 and, if applicable,
111 section 536.028. This section and chapter 536 are nonseverable, and if any of the powers
112 vested with the general assembly pursuant to chapter 536 to review, to delay the effective
113 date, or to disapprove and annul a rule are subsequently held unconstitutional, then the
114 grant of rulemaking authority and any rule proposed or adopted after August 28, 2020,
115 shall be invalid and void.

116 13. Pursuant to section 23.253 of the Missouri sunset act:

117 (1) The provisions of the new program authorized pursuant to this section shall
118 sunset automatically on August 28, 2026, unless reauthorized by an act of the general
119 assembly;

120 (2) If such program is reauthorized, the program authorized pursuant to this
121 section shall sunset automatically twelve years after the effective date of the
122 reauthorization; and

123 **(3) This section shall terminate on September first of the calendar year immediately**
124 **following the calendar year in which the program authorized pursuant to this section is**
125 **sunset.**

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