

SECOND REGULAR SESSION  
HOUSE COMMITTEE SUBSTITUTE FOR  
**HOUSE BILL NO. 1695**  
**100TH GENERAL ASSEMBLY**

4267H.02C

DANA RADEMAN MILLER, Chief Clerk

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**AN ACT**

To amend chapter 620, RSMo, by adding thereto one new section relating to workforce development.

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*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:**

**(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 a 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, and no job that is relocated from another location within this state 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, the employee is on the facility's payroll, one**

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

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

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

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

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

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

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

48 (2) After the passage or adoption of the ordinance or resolution creating the TIME  
49 zone, governance of the TIME zone shall be by the zone board, which shall consist of seven  
50 members selected from the political subdivisions creating the TIME zone. Members of a  
51 zone board shall receive no salary or other compensation for their services as members but  
52 shall receive their necessary traveling and other expenses incurred while actually engaged  
53 in the discharge of their official duties. The zone board may expand or contract such

54 **TIME zone through an ordinance or resolution following a public hearing conducted to**  
55 **consider such expansion or contraction.**

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

58 **6. (1) Prior to retaining any state withholding tax pursuant to subsection 9 of this**  
59 **section, a zone board shall enter into an agreement with the department. Such agreement**  
60 **shall include, but shall not be limited to:**

61 **(a) The estimated number of new jobs to be created;**

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

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

64 **(d) The estimated costs of the proposed improvements;**

65 **(e) The estimated amount of withholding tax to be retained pursuant to subsection**  
66 **9 of this section over the period of the agreement; and**

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

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

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

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

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

81 **(d) For a TIME zone with a total population of at least one hundred fifty thousand**  
82 **inhabitants as determined by the most recent decennial census, a minimum of twenty-five**  
83 **new jobs with an average wage that equals or exceeds ninety percent of the county average**  
84 **wage.**

85 **7. (1) The term of the agreement entered into pursuant to subsection 6 of this**  
86 **section shall not exceed ten years. A zone board may apply to the department for approval**  
87 **to renew any agreement. Such application shall be made on forms provided by the**  
88 **department. In determining whether to approve the renewal of an agreement, the**  
89 **department shall consider:**

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

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

94 (c) Any other factor the department requires.

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

101 (3) A zone board shall not retain any withholding tax pursuant to this section in  
102 excess of the costs of improvements completed by the zone board.

103 8. If a qualified company is retaining withholding tax pursuant to sections 620.2000  
104 to 620.2020 for new jobs, as such terms are defined in section 620.2005, that also qualify  
105 for the retention of withholding tax pursuant to this section, the department shall not  
106 authorize an agreement pursuant to this section that results in more than fifty percent of  
107 the withholding tax for such new jobs being retained pursuant to this section and sections  
108 620.2000 to 620.2020.

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

117 10. There is hereby created the "TIME Zone Fund", which shall consist of moneys  
118 collected under this section. The director of revenue shall be custodian of the fund and  
119 shall approve disbursements from the fund in accordance with sections 30.170 and 30.180  
120 to the zone boards of the TIME zones from which the funds were collected, less the pro  
121 rata portion appropriated by the general assembly to be used solely for the administration  
122 of this section, which shall not exceed ten percent of the total amount collected within the  
123 TIME zones of a zone board. Notwithstanding the provisions of section 33.080 to the  
124 contrary, any moneys remaining in the fund at the end of the biennium shall not revert to  
125 the credit of the general revenue fund. The director of revenue shall invest moneys in the

126 **fund in the same manner as other funds are invested. Any interest and moneys earned on**  
127 **such investments shall be credited to the fund.**

128 **11. The zone board shall approve projects consistent with the provisions of this**  
129 **section that begin construction and disburse any moneys collected under this section. The**  
130 **zone board shall submit an annual budget for the funds to the department explaining how**  
131 **and when such moneys will be spent.**

132 **12. A zone board shall submit an annual report by December thirty-first of each**  
133 **year to the department and the general assembly. Such report shall include, but shall not**  
134 **be limited to:**

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

136 **(2) The number of new jobs created within the TIME zones governed by the zone**  
137 **board;**

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

140 **(4) The amount of withholding tax retained pursuant to subsection 9 of this section**  
141 **from new jobs created within the TIME zones governed by the zone board.**

142 **13. No political subdivision shall establish a TIME zone with boundaries that**  
143 **overlap the boundaries of an advanced industrial manufacturing zone established pursuant**  
144 **to section 68.075.**

145 **14. The department may promulgate rules to implement the provisions of this**  
146 **section. Any rule or portion of a rule, as that term is defined in section 536.010, that is**  
147 **created under the authority delegated in this section shall become effective only if it**  
148 **complies with and is subject to all of the provisions of chapter 536 and, if applicable,**  
149 **section 536.028. This section and chapter 536 are nonseverable, and if any of the powers**  
150 **vested with the general assembly pursuant to chapter 536 to review, to delay the effective**  
151 **date, or to disapprove and annul a rule are subsequently held unconstitutional, then the**  
152 **grant of rulemaking authority and any rule proposed or adopted after August 28, 2020,**  
153 **shall be invalid and void.**

154 **15. Pursuant to section 23.253 of the Missouri sunset act:**

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

158 **(2) If such program is reauthorized, the program authorized pursuant to this**  
159 **section shall sunset automatically twelve years after the effective date of the**  
160 **reauthorization; and**

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

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