

HB 1695 -- TARGETED INDUSTRIAL MANUFACTURING ENHANCEMENT ZONES ACT

SPONSOR: Black (137)

This bill allows any two or more political subdivisions to create targeted industrial manufacturing enhancement (TIME) zones for the purpose of developing or redeveloping areas within the zone to attract the creation of new jobs. Prior to the creation of a TIME zone, each political subdivision must propose an ordinance or resolution that sets forth the names of the political subdivisions which will form the 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. The political subdivisions must hold a public hearing prior to approving the ordinance or resolution creating the TIME zone.

This bill allows the zone board governing the TIME zone to retain 25% of withholding taxes on new jobs created within the TIME zone to fund improvements made in the TIME zone. Prior to retaining such withholding taxes, the zone board must enter into an agreement with each taxpayer creating new jobs within the TIME zone. Such agreement must specify the estimated number of new jobs to be created, the estimated average wage of new jobs to be created, the estimated net fiscal impact of the new jobs, and the estimated amount of withholding tax to be retained over the period of the agreement. The term of such agreement shall not exceed 10 years. A zone board may apply to the Department of Economic Development for approval to renew any agreement. In determining whether to approve the renewal of an agreement, the department must consider whether the estimated numbers of new jobs, average wage, and net fiscal impact have been met, the outstanding improvements to be made within the TIME zone and the funding necessary to complete such improvements, and the amount of withholding tax being retained by the zone board through agreements with other taxpayers. The department may approve the renewal of an agreement for a period not to exceed 10 years.

The zone board will submit an annual report to the department and to the General Assembly, as described in the bill.

No political subdivision will establish a TIME zone with boundaries that overlap the boundaries of an advanced industrial manufacturing (AIM) zone.

This bill will sunset six years after the effective date.

This bill is the same as SB 594 (2020).