

SECOND REGULAR SESSION

HOUSE BILL NO. 1571

96TH GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES OXFORD (Sponsor), ATKINS, PACE, WALTON GRAY,
McCREERY, HOLSMAN, CASEY, MAY, CARTER, HUGHES AND TALBOY (Co-sponsors).

5204L.011

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To amend chapter 620, RSMo, by adding thereto twelve new sections relating to job growth, with a penalty provision.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 620, RSMo, is amended by adding thereto twelve new sections, to
2 be known as sections 620.2100, 620.2103, 620.2106, 620.2109, 620.2112, 620.2115, 620.2118,
3 620.2121, 620.2124, 620.2127, 620.2130, and 620.2133, to read as follows:

620.2100. Sections 620.2100 to 620.2133 shall be known and may be cited as the
2 **"Good Jobs First Act".**

620.2103. As used in sections 620.2100 to 620.2133, the following terms shall mean:

2 (1) **"Corporate parent", any person, association, corporation, joint venture,**
3 **partnership, or other entity that owns or controls fifty percent or more of a recipient**
4 **corporation;**

5 (2) **"Date of subsidy", the date that a granting body provides the initial monetary**
6 **value of a development subsidy to a recipient corporation provided, however, that where**
7 **the subsidy is for the installation of new equipment, such date shall be the date the**
8 **corporation puts the equipment into service and provided, further, that where the subsidy**
9 **is for improvements to property, such date shall be the date the improvements are finished,**
10 **or the date the corporation occupies the property, whichever is earlier;**

11 (3) **"Development subsidy", any expenditure of public funds with a value of at least**
12 **twenty-five thousand dollars for the purpose of stimulating economic development within**
13 **the state, including but not limited to bonds, grants, loans, loan guarantees, enterprise**

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.

14 zones, empowerment zones, tax increment financing, grants, fee waivers, land price
15 subsidies, matching funds, tax abatements, tax exemptions, and tax credits;

16 (4) "Full-time job", a job in which an individual is employed by a recipient
17 corporation for at least thirty-five hours per week;

18 (5) "Granting body", any agency, board, office, public benefit corporation or
19 authority of the state or a local government unit that provides a development subsidy;

20 (6) "Local government unit", an agency, board, commission, office, public benefit
21 corporation, or public authority of a political subdivision of the state;

22 (7) "New employee", a full-time employee who represents a net increase in the
23 number of individuals employed by the recipient corporation in the state. "New employee"
24 does not include an employee who performs a job that was previously performed by
25 another employee of the recipient corporation if that job existed for at least six months
26 before hiring the employee;

27 (8) "Part-time job", a job in which an individual is employed by a recipient
28 corporation for less than thirty-five hours per week;

29 (9) "Project site", the site of a project for which any development subsidy is
30 provided;

31 (10) "Property-taxing entity", any entity which levies taxes upon real or personal
32 property;

33 (11) "Recipient corporation", any person, association, corporation, joint venture,
34 partnership, or other entity that receives a development subsidy;

35 (12) "Small business", a corporation whose corporate parent, and all subsidiaries
36 thereof, that employed fewer than twenty full-time employees or had total gross receipts
37 of less than one million dollars during the calendar year;

38 (13) "State", an agency, board, commission, office, public benefit corporation or
39 public benefit authority of the state;

40 (14) "Subsidy value", the face value of any and all development subsidies provided
41 to a recipient corporation;

42 (15) "Temporary job", a job in which an individual is hired for a season or for a
43 limited period of time.

620.2106. The department of revenue shall submit an annual unified economic
2 development budget to the general assembly no later than three months after the end of the
3 state's fiscal year. The report shall present all types of expenditures for economic
4 development during the prior fiscal year, including but not limited to:

5 (1) The amount of uncollected state tax revenues resulting from every corporate tax
6 credit, abatement, exemption and reduction provided by the state or a local governmental

7 unit, including but not limited to gross receipts and income, sales, use, raw materials,
8 excise, property, utility, and inventory taxes;

9 (2) The name of each corporate taxpayer which claimed any tax credit, abatement,
10 exemption, or reduction under subdivision (1) of this subsection of any value equal to or
11 greater than five thousand dollars, together with the dollar amount received by each such
12 corporation;

13 (3) Any tax credit, abatement, exemption, or reduction received by a corporation
14 of less than five thousand dollars each shall not be itemized. The department of revenue
15 shall report an aggregate dollar amount of such expenditures and the number of companies
16 so aggregated for each tax expenditure;

17 (4) All state appropriated expenditures for economic development, including
18 line-item budgets for every state-funded entity concerned with economic development.

620.2109. 1. Each property-taxing entity shall annually submit a report to the
2 department of revenue regarding any real property in the entity's jurisdiction that has
3 received a property tax abatement or reduction during the fiscal year. The report shall
4 contain information including but not limited to:

- 5 (1) The name of the property owner;
- 6 (2) The address of the property;
- 7 (3) The start and end dates of the property tax reduction or abatement;
- 8 (4) The schedule of the tax reduction;
- 9 (5) Each tax abatement, reduction, and exemption for the property; and
- 10 (6) The amount of property tax revenue not paid to the taxing entity as a result of
11 the reduction or abatement.

12 2. Each property-taxing entity shall also submit a report to the department of
13 revenue setting forth the total property tax revenue not paid to such entity during the fiscal
14 year as a result of all property tax reductions and abatements in the entity's jurisdiction.

15 3. The reports required under subsections 1 and 2 of this section shall be prepared
16 on two forms prepared by the department of revenue, and shall be submitted to the
17 department of revenue by the property-taxing entity no later than three months after the
18 end of the fiscal year.

19 4. The department of revenue shall annually compile and publish all of the data
20 contained in the reports required under subsections 1 and 2 of this section in both written
21 and electronic form, including its internet website.

22 5. If a property-taxing entity fails to submit its reports to the department of revenue
23 within the prescribed time, the department shall withhold further payments of any

24 development subsidy to the delinquent entity until the entity files its reports with the
25 department.

620.2112. 1. Each granting body, together with the applicant for a development
2 subsidy, shall complete an application for the subsidy on a form prepared by the
3 department of economic development. The information required on the application shall
4 include the following:

5 (1) An application tracking number for the granting agency and the project;

6 (2) The name, street and mailing address and phone number of the chief officer of
7 the granting body;

8 (3) The name, street and mailing address and phone number of the chief officer of
9 the applicant's corporate parent;

10 (4) The name, street and mailing address and phone number of the chief officer of
11 the applicant;

12 (5) The street address of the project site;

13 (6) The three-digit North American Industry Classification System number of the
14 project site;

15 (7) The total number of individuals employed by the applicant at the project site
16 on the date of the application, broken down by full-time, part-time, and temporary
17 positions;

18 (8) The total number of individuals employed in the state by the applicant's
19 corporate parent, and all subsidiaries thereof, as of December thirty-first of the prior fiscal
20 year, broken down by full-time, part-time and temporary positions;

21 (9) The development subsidy or subsidies being applied for with the granting body,
22 and the value of such subsidy or subsidies;

23 (10) The number of new jobs to be created by the applicant at the project site,
24 broken down by full-time, part-time and temporary positions;

25 (11) The average hourly wage to be paid to all current and new employees at the
26 project site, broken down by full-time, part-time, and temporary positions, and further
27 broken down by wage groups as follows:

28 (a) Eight dollars or less per hour;

29 (b) Eight dollars and one cent to nine dollars per hour;

30 (c) Nine dollars and one cent to ten dollars per hour;

31 (d) Ten dollars and one cent to eleven dollars per hour;

32 (e) Eleven dollars and one cent to twelve dollars per hour;

33 (f) Twelve dollars and one cent to thirteen dollars per hour;

34 (g) Thirteen dollars and one cent to fourteen dollars per hour;

- 35 **(h) Fourteen dollars and one cent to fifteen dollars per hour;**
36 **(i) Fifteen dollars and one cent to sixteen dollars per hour; and**
37 **(j) Sixteen dollars and one cent or more per hour;**
38 **(12) For project sites located in a metropolitan statistical area, as defined by the**
39 **federal Office of Management and Budget, the average hourly wage paid to nonmanagerial**
40 **employees in the state for the industries involved at the project, as established by the**
41 **United States Bureau of Labor Statistics;**
42 **(13) For project sites located outside of metropolitan statistical areas, the average**
43 **weekly wage paid to nonmanagerial employees in the county for industries involved at the**
44 **project, as established by the United States Department of Commerce;**
45 **(14) The type and amount of health care coverage to be provided by the applicant**
46 **within ninety days of commencement of employment at the project site, including any costs**
47 **to be borne by the employees;**
48 **(15) A list of all development subsidies which the applicant is requesting, and the**
49 **name of any other granting body from which such subsidies are sought;**
50 **(16) A statement as to whether the development subsidy may reduce employment**
51 **at any other site controlled by the applicant or its corporate parent, within or without of**
52 **the state, resulting from automation, merger, acquisition, corporate restructuring or other**
53 **business activity;**
54 **(17) A certification by the chief officer of the applicant as to the accuracy of the**
55 **application.**
56 **2. If the granting body approves the application, it shall send a copy to the**
57 **department of economic development within fifteen days of such approval. If the**
58 **application is not approved, the granting body shall retain the application in its records.**
 620.2115. 1. For annual reports, each granting body shall file a progress report
2 **with the department of economic development for each project for which a development**
3 **subsidy has been granted, no later than February first each year. The report shall include**
4 **the following information:**
5 **(1) The application tracking number;**
6 **(2) The name, street and mailing addresses, phone number, and chief officer of the**
7 **granting body;**
8 **(3) The name, street and mailing addresses, phone number, and chief officer of the**
9 **recipient corporation;**
10 **(4) A summary of the number of jobs required, created, and lost, broken down by**
11 **full-time, part-time and temporary positions and by wage groups;**

12 **(5) The type and amount of health care coverage provided to the employees at the**
13 **project site, including any costs borne by the employees;**

14 **(6) The comparison of the total employment in the state by the recipient's corporate**
15 **parent on the date of the application and the date of the report, broken down by full-time,**
16 **part-time and temporary positions;**

17 **(7) A statement as to whether the use of the development subsidy during the**
18 **previous fiscal year has reduced employment at any other site controlled by the recipient**
19 **corporation or its corporate parent, within or without of the state as a result of automation,**
20 **merger, acquisition, corporate restructuring, or other business activity;**

21 **(8) A signed certification by the chief officer of the recipient corporation as to the**
22 **accuracy of the progress report.**

23 **2. On all subsequent annual progress reports, the granting body shall indicate**
24 **whether the recipient corporation is still in compliance with its job creation, wage and**
25 **benefit goals, and whether the corporate parent is still in compliance with its state**
26 **employment requirement.**

27 **3. Granting bodies and recipient corporations shall file annual progress reports for**
28 **the duration of the subsidy, or not less than five years, whichever period is greater.**

29 **4. For two-year reports:**

30 **(1) No later than fifteen days after the second anniversary of the date of subsidy,**
31 **the granting body shall file with the department of economic development a two-year**
32 **progress report including the same information as required in subsection 1 of this section.**
33 **The recipient corporation shall certify as to the accuracy of such report;**

34 **(2) The granting body shall state in the two-year report whether the recipient**
35 **corporation has achieved its job creation, wage and benefit goals, and whether the**
36 **corporate parent has maintained ninety percent of its employment in the state.**

37 **5. The department of economic development shall compile and publish all data**
38 **from the progress reports in both written and electronic form, including its internet**
39 **website.**

40 **6. The granting body and the department of economic development shall have**
41 **access at all reasonable times to the project site and the records of the recipient corporation**
42 **in order to monitor the project and to prepare progress reports.**

43 **7. A recipient corporation that fails to provide the granting body with the**
44 **information or access required in this section shall be subject to a fine of not less than five**
45 **hundred dollars per day to commence within ten working days after the February first**
46 **deadline, and of not less than one thousand dollars per day to commence twenty days after**
47 **such deadline.**

48 **8. Any granting body who is required to file a report under this section and sections**
49 **135.800 to 135.830 shall file such report in accordance with sections 135.800 to 135.830 only**
50 **to the extent the information within the report required under this section is the same**
51 **information required in sections 135.800 to 135.830. Any information required to be**
52 **reported in this section but not required in sections 135.800 to 135.830 shall be filed in**
53 **accordance with this section.**

620.2118. 1. A granting body shall not award a grant to a development subsidy if
2 **the cost per job is greater than thirty-five thousand dollars. Such cost shall be determined**
3 **by dividing the amount of the subsidy by the number of full-time jobs required under the**
4 **application approved by the granting body.**

5 **2. A granting body shall not grant a subsidy to an applicant unless the wages paid**
6 **to employees at the project site are equal to or exceed eighty-five percent of the average**
7 **wage as established under subdivisions (12) and (13) of subsection 1 of section 620.2112,**
8 **provided, however, that for small businesses, the average wage shall equal or exceed**
9 **seventy-five percent of the wages established hereunder. The computation of wages under**
10 **this section shall only apply to a recipient corporation that provides the health care**
11 **coverage as approved in its application by the granting body.**

620.2121. 1. A recipient corporation shall fulfill its job creation, wage, health care
2 **and other benefit requirements for the project site within two years of the date of subsidy.**
3 **Such recipient shall maintain its wage and benefit goals as long as the subsidy is in effect,**
4 **or five years, whichever is longer.**

5 **2. The corporate parent of a recipient corporation shall maintain at least ninety**
6 **percent of its employment in the state as long as the development subsidy is in effect, or not**
7 **less than five years, whichever is longer.**

8 **3. If the requirements under subsection 1 or 2 of this section are not fulfilled, the**
9 **granting body shall recapture the development subsidy from the recipient corporation as**
10 **follows:**

11 **(1) Upon a failure by the recipient corporation to create the required number of**
12 **jobs or to pay the required wages or benefits, the amount recaptured shall be based on the**
13 **pro rata amount by which the unfulfilled jobs, wages, or benefits bear to the total amount**
14 **of the development subsidy;**

15 **(2) Upon a failure of the corporate parent to maintain ninety percent of its**
16 **employment in the state, the rate of recapture shall equal twice the percentage by which**
17 **such employment is less than ninety percent.**

18 **4. The granting body shall provide notice to the recipient corporation of its intent**
19 **to recapture the development subsidy and state the reasons and amount to be recaptured.**

20 The recipient corporation shall remit to the governing body such amount within sixty
21 calendar days of the date of such notice.

22 5. If a recipient corporation defaults on a development subsidy in three consecutive
23 calendar years, the granting body shall declare the subsidy null and void, and shall so
24 notify the department of economic development and the recipient corporation. The
25 recipient corporation shall pay back to the granting body all remaining value of the
26 development subsidy it has not previously repaid within one hundred eighty calendar days
27 of the date of the notice of such default.

620.2124. If a granting body fails to enforce any provision of sections 620.2100 to
2 620.2133, any individual who paid personal income taxes to the state in the calendar year
3 prior to the year in dispute, or any organization representing such taxpayers, shall be
4 entitled to bring a civil action in state court to compel enforcement under this statute. The
5 court shall award reasonable attorney's fees and costs to such prevailing taxpayer or
6 organization.

620.2127. All records required to be prepared or maintained under sections
2 620.2100 to 620.2133, including but not limited to applications, progress reports, recapture
3 notices, and any other records or proceedings relating thereto, shall be subject to disclosure
4 under chapter 610.

620.2130. Notwithstanding any provision of law to the contrary, any recipient
2 corporation that is awarded benefits under sections 620.2100 to 620.2133 shall not
3 simultaneously receive any other benefit provided by law, including but not limited to any
4 bonds, grants, loans, loan guarantees, tax increment financing, fee waivers, land price
5 subsidies, matching funds, tax abatements, tax exemptions, and tax credits.

620.2133. Nothing in sections 620.2100 to 620.2133 shall be read to require or
2 authorize any recipient corporation to reduce wages or benefits established under any
3 collective bargaining agreement or state or federal prevailing wage law.

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