HB 1246 -- Job Development

Sponsor: Lauer

This bill changes the laws regarding municipal technology
business facility projects, the MO Jobs Training Program, and the
Missouri Quality Jobs Act.

MUNICIPAL TECHNOLOGY BUSINESS FACILITY PROJECTS (Section 67.2055,
RSMo)

The bill allows the governing body of any county, city,
incorporated town, or village to engage in projects involving a
technology business facility used for wired telecommunications;
data processing, hosting, and related services; or Internet
publishing and broadcasting and web search portals. The
governing body is authorized to:

(1) Carry out technology business facility projects for economic
development;

(2) Accept grants from the federal and state governments for the
project's purposes and enter into an agreement which may be
required by the grantor if the agreement is not contrary to
Missouri laws;

(3) Receive gifts and donations from private sources to be used
for the project's purposes; and

(4) Enter into loan agreements and to sell, lease, or mortgage
to individuals, partnerships, or corporations any one or more of
the components of a technology business facility project.

Transactions involving the lease or rental of any project
component must be exempted from state and local sales taxes, and
leasehold interests will not be subject to property taxes.

If an individual or corporation transfers property for a project
free of charge to the governing body, it will retain the right,
upon a request to the municipality, to have the governing body
transfer the donated property back at no cost. The authorization
to engage in projects involving a technology business facility
does not authorize a political subdivision to provide
telecommunications services or telecommunications facilities to
the extent that they are prohibited from doing so under Section
392.410.

MO JOBS TRAINING PROGRAM (Sections 620.800, 620.803, 620.806, and
620.809)

The bill requires the Department of Economic Development to establish the MO Jobs Training Program to assist qualified companies with the training of employees in new jobs and the retraining or upgrading of the skills of full-time employees in retained jobs. The program will be funded through appropriations from the MO Jobs Development Fund which was formerly the Missouri Job Development Fund; the MO Jobs Community College New Jobs Training Fund which was formerly the Missouri Community College Job Training Program Fund; and the MO Jobs Community College Job Retention Training Fund which was formerly the Missouri Community College Job Retention Training Program Fund. The bill specifies the requirements for a qualified company to receive benefits under the program, how the benefits will be calculated, and the penalties for failure to meet any requirements under the program.

The provisions regarding the Missouri Job Training Joint Legislative Oversight Committee are repealed and the MO Jobs Training Joint Legislative Oversight Committee is established consisting of three members of the House of Representatives appointed by the Speaker and three members of the Senate appointed by the President Pro Tem. An annual report must be submitted by October 1 to the Governor, Speaker of the House of Representatives, and President Pro Tem of the Senate regarding all assistance provided to industries during the preceding fiscal year.

These provisions will expire July 1, 2019, unless reauthorized by the General Assembly.

MISSOURI QUALITY JOBS ACT (Sections 620.1878 and 620.1881)

The bill authorizes economic incentives for job retention projects under the Missouri Quality Jobs Program for a qualified company that meets certain requirements if the Department of Economic Development determines that there is a significant probability that the qualified company would relocate to another state in the absence of the benefits. The economic incentives can be in the form of retaining taxes otherwise withheld from full-time jobs or a tax credit. Prior to the award of any benefits, the department director must notify the President Pro Tem of the Senate and the Speaker of the House of Representatives of the amount of the award and other specified information unless the disclosure is otherwise protected by law.

In order to receive withholding tax retention benefits, the qualified company must retain at least 125 full-time employees for a period of 10 years from approval of the notice of intent, make a new capital investment at the project facility within three years from approval of the notice of intent in an amount equal to 50% of the total withholding tax retention benefits, and

enter into a written agreement with the department containing detailed performance requirements and repayment penalties in the event of nonperformance. If a qualified company meets these requirements, it may be authorized to retain up to 100% of the withholding taxes from full-time jobs for a period of 10 years if the average wage of the retained jobs equals or exceeds 90% of the county average wage. The aggregate amount of retained withholding taxes authorized is limited to $6 million for each fiscal year beginning on or after July 1, 2012. The bill specifies the factors that the department must consider in awarding withholding tax retention benefits.

Beginning January 1, 2013, but ending on December 31, 2014, in lieu of the withholding tax retention benefits, the department may authorize a qualified company a one-time tax credit in an amount up to 7% of new payroll from the new jobs created over a five-year period or up to 9% if the qualified company is in a targeted industry as identified by the department by rule following a specified process. The qualified company must also enter into a written agreement with the department covering the applicable project period which contains detailed performance requirements; the time period during which the tax credits will be issued; repayment penalties, including recapture of the tax credits, in the event of nonperformance; and other specified information. The total credits authorized cannot exceed $10 million annually.