

FIRST REGULAR SESSION

HOUSE BILL NO. 379

101ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE BLACK (137).

0228H.02I

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 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 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 Missouri 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, is on the facility's payroll, one hundred percent

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 of the employee's income from such employment is Missouri income, and the employee is
19 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 which 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 may 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, and more than one
35 TIME zone may exist within the governing bodies' jurisdiction or under the governing
36 bodies' ownership or control, and may be expanded or contracted by resolution of the zone
37 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 which will
41 form the TIME zone, the general nature of the proposed improvements, the estimated cost
42 of such improvements, the boundaries of the proposed TIME zone, and the estimated
43 number of new jobs to be created in the TIME zone. Prior to approving such ordinance
44 or resolution, each governing body shall hold a public hearing to consider the creation of
45 the TIME zone and the proposed improvements therein. The governing bodies shall hear
46 and 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 of the state of Missouri. Such moneys shall be
113 deposited into the TIME zone fund established pursuant to subsection 10 of this section for
114 the purpose of continuing to expand, develop, and redevelop TIME zones identified by the
115 zone board, and may be used for managerial, engineering, legal, research, promotion,
116 planning, and any other expenses.

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

126 shall invest moneys in the fund in the same manner as other funds are invested. Any
127 interest and moneys earned on 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 money 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 money 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 total amount of withholding taxes retained by all TIME zones pursuant to
146 the provisions of this section shall not exceed five million dollars per fiscal year.

147 15. The department may promulgate rules to implement the provisions of this
148 section. Any rule or portion of a rule, as that term is defined in section 536.010, that is
149 created under the authority delegated in this section shall become effective only if it
150 complies with and is subject to all of the provisions of chapter 536 and, if applicable,
151 section 536.028. This section and chapter 536 are nonseverable and if any of the powers
152 vested with the general assembly pursuant to chapter 536 to review, to delay the effective
153 date, or to disapprove and annul a rule are subsequently held unconstitutional, then the
154 grant of rulemaking authority and any rule proposed or adopted after August 28, 2021,
155 shall be invalid and void.

156 16. The provisions of section 23.253 notwithstanding, no TIME zone may be
157 established after August 28, 2024. Any TIME zone created prior to such date shall
158 continue to exist and be coterminous with the retirement of any debts incurred for
159 improvements made within the TIME zone. No debts may be incurred or reauthorized
160 using TIME zone revenue after August 28, 2024.

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