

SECOND REGULAR SESSION

# HOUSE BILL NO. 1685

## 101ST GENERAL ASSEMBLY

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INTRODUCED BY REPRESENTATIVE BLACK (137).

3921H.011

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  
2 known as section 620.2250, to read as follows:

**620.2250. 1. This section shall be known and may be cited as the "Targeted  
2 Industrial Manufacturing Enhancement Zones Act".**

3 **2. As used in this section, the following terms mean:**

4 **(1) "County average wage", the average wage in each county as determined by  
5 the department for the most recently completed full calendar year. However, if the  
6 computed county average wage is above the statewide average wage, the statewide  
7 average wage shall be deemed the county average wage for such county for the purpose  
8 of determining eligibility;**

9 **(2) "Department", the Missouri department of economic development;**

10 **(3) "New job", the number of full-time employees located at the project facility  
11 that exceeds the project facility base employment less any decrease in the number of  
12 full-time employees at related facilities below the related facility base employment. No  
13 job that was created prior to the date of the completion of an agreement under  
14 subsection 6 of this section and no job that is relocated from another location within this  
15 state shall be deemed a new job. An employee who spends less than fifty percent of the  
16 employee's work time at the facility is still considered to be located at a facility if the  
17 employee receives such employee's directions and control from that facility, is on the**

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 facility's payroll, one hundred percent of the employee's income from such employment  
19 is Missouri income, and 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  
22 prior to the establishment of the TIME zone in question and that is directly related to  
23 the operations of the facility within the new TIME zone;

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

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

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

37 4. (1) To establish a TIME zone, the governing bodies of at least two political  
38 subdivisions shall each propose an ordinance or resolution creating such zone. Such  
39 ordinance or resolution shall set forth the names of the political subdivisions that will  
40 form the TIME zone, the general nature of the proposed improvements, the estimated  
41 cost of such improvements, the boundaries of the proposed TIME zone, and the  
42 estimated number of new jobs to be created in the TIME zone. Prior to approving such  
43 ordinance or resolution, each governing body shall hold a public hearing to consider the  
44 creation of the TIME zone and the proposed improvements therein. The governing  
45 bodies shall hear and pass upon all objections to the TIME zone and the proposed  
46 improvements, if any, and may amend the proposed improvements and the plans and  
47 specifications therefor.

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

54 expand or contract such TIME zone through an ordinance or resolution following a  
55 public hearing conducted to 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 under subsection 9 of this**  
59 **section, a zone board shall enter into an agreement with the department. Such**  
60 **agreement 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 under subsection 9 of**  
66 **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 fewer than five thousand inhabitants as determined by**  
71 **the most recent decennial census, a minimum of five new jobs with an average wage that**  
72 **equals or exceeds ninety percent of the county average wage;**

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

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

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

84         **7. (1) The term of the agreement entered into under subsection 6 of this section**  
85 **shall not exceed ten years. A zone board may apply to the department for approval to**  
86 **renew any agreement. Such application shall be made on forms provided by the**  
87 **department. In determining whether to approve the renewal of an agreement, the**  
88 **department shall consider:**

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

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

93           **(c) Any other factor the department requires.**

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

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

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

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

116           **10. There is hereby created in the state treasury the "TIME Zone Fund", which**  
117 **shall consist of moneys collected under this section. The state treasurer shall be**  
118 **custodian of the fund and may approve disbursements from the fund in accordance with**  
119 **sections 30.170 and 30.180 to the zone boards of the TIME zones from which the funds**  
120 **were collected, less the pro rata portion appropriated by the general assembly to be used**  
121 **solely for the administration of this section, which shall not exceed ten percent of the**  
122 **total amount collected within the TIME zones of a zone board. Notwithstanding the**  
123 **provisions of section 33.080 to the contrary, any moneys remaining in the fund at the**  
124 **end of the biennium shall not revert to the credit of the general revenue fund. The state**  
125 **treasurer shall invest moneys in the fund in the same manner as other funds are**  
126 **invested. Any interest and moneys earned on such investments shall be credited to the**  
127 **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.**  
130 **The zone board shall submit an annual budget for the funds to the department**  
131 **explaining how and when such moneys will be spent.**

132           **12. A zone board shall submit an annual report on or before December thirty-**  
133 **first of each year to the department and the general assembly. Such report shall include,**  
134 **but shall not 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**  
137 **zone board;**

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

140           **(4) The improvements utilizing TIME zone funding;**

141           **(5) The amount of TIME zone funding utilized for each improvement and the**  
142 **total amount of TIME zone funds expended; and**

143           **(6) The amount of withholding tax retained under subsection 9 of this section**  
144 **from new jobs created within the TIME zones governed by the zone board.**

145           **13. No political subdivision shall establish a TIME zone with boundaries that**  
146 **overlap the boundaries of an advanced industrial manufacturing zone established under**  
147 **section 68.075.**

148           **14. The total amount of withholding taxes retained by all TIME zones under the**  
149 **provisions of this section shall not exceed five million dollars per fiscal year.**

150           **15. The department may promulgate rules to implement the provisions of this**  
151 **section. Any rule or portion of a rule, as that term is defined in section 536.010, that is**  
152 **created under the authority delegated in this section shall become effective only if it**  
153 **complies with and is subject to all of the provisions of chapter 536 and, if applicable,**  
154 **section 536.028. This section and chapter 536 are nonseverable, and if any of the powers**  
155 **vested with the general assembly pursuant to chapter 536 to review, to delay the**  
156 **effective date, or to disapprove and annul a rule are subsequently held unconstitutional,**  
157 **then the grant of rulemaking authority and any rule proposed or adopted after August**  
158 **28, 2022, shall be invalid and void.**

159           **16. Notwithstanding the provisions of section 23.253 to the contrary, no TIME**  
160 **zone shall be established after August 28, 2025. Any TIME zone created prior to such**  
161 **date shall continue to exist and be coterminous with the retirement of any debts**  
162 **incurred for improvements made within the TIME zone. No debts shall be incurred or**  
163 **reauthorized using TIME zone revenue after August 28, 2025.**