

Mr. Speaker: I am instructed by the Senate to inform the House of Representatives that the Senate has taken up and passed

SS#2 SCS HCS HB 1854 _____ entitled:

AN ACT

To repeal sections 29.230, 36.155, 50.166, 50.327, 54.140, 59.021, 59.100, 64.805, 67.730, 67.1360, 67.1545, 94.838, 94.900, 94.902, 105.145, 115.127, 115.621, 115.646, 137.180, 138.434, 144.757, 205.202, 238.207, 238.235, 238.237, 321.015, 321.190, 321.300, 321.552, 321.603, 506.384, 610.021, 620.2005, and 620.2010, RSMo, and section 49.266 as enacted by senate bill no. 672, ninety-seventh general assembly, second regular session, and section 49.266 as enacted by house bill no. 28, ninety-seventh general assembly, first regular session, and to enact in lieu thereof fifty-one new sections relating to political subdivisions, with penalty provisions and an emergency clause for certain sections.

With SA 1 and SA 3

EC - Defeated

In which the concurrence of the House is respectfully requested.

Respectfully,

Adriane D. Crouse

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Secretary of the Senate

RECEIVED

MAY 07 2020

CHIEF CLERK

SENATE AMENDMENT NO. 1Offered by Senator Arthur of 17thAmend SS/SCS/HCS/H Bill No. 1854, Page 76, Section 115.646, Lines 26-28

by

Striking said lines; and
further amend page 77, Section
115.646, lines 1-27, by striking
said lines.

Action taken

Offered 5/4/2020

Date

Adopted11

SENATE AMENDMENT NO. 2Offered by Hough of 30thAmend #2 SS/SCS/HCS/House Bill No. 1854, Page 160, Section 620.2010, Line 8,

2 of said page, by inserting immediately after said line the
 3 following:

4 "620.2250. 1. This section shall be known and may be cited
 5 as the "Targeted Industrial Manufacturing Enhancement Zones Act".

6 2. As used in this section, the following terms shall mean:

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

13 (2) "Department", the Missouri department of economic
 14 development;

15 (3) "New job", the number of full-time employees located at
 16 the project facility that exceeds the project facility base
 17 employment less any decrease in the number of full-time employees
 18 at related facilities below the related facility base employment.
 19 No job that was created prior to the date of the completion of an
 20 agreement pursuant to subsection 6 of this section and no job
 21 that is relocated from another location within this state shall

Offered 5/4/2020
 Adopted 11

1 be deemed a new job. An employee that spends less than fifty
2 percent of the employee's work time at the facility is still
3 considered to be located at a facility if the employee receives
4 his or her directions and control from that facility, is on the
5 facility's payroll, one hundred percent of the employee's income
6 from such employment is Missouri income, and the employee is paid
7 at or above the county average wage;

8 (4) "Political subdivision", a town, village, city, or
9 county located in this state;

10 (5) "Related facility", a facility operated by a company or
11 a related company prior to the establishment of the TIME zone in
12 question, and which is directly related to the operations of the
13 facility within the new TIME zone;

14 (6) "TIME zone", an area identified through an ordinance or
15 resolution passed pursuant to subsection 4 of this section that
16 is being developed or redeveloped for any purpose so long as any
17 infrastructure or building built or improved is in the
18 development area;

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

20 3. The governing bodies of at least two contiguous or
21 overlapping political subdivisions in this state may establish
22 one or more TIME zones, which shall be political subdivisions of
23 the state, for the purposes of completing infrastructure projects
24 to promote the economic development of the region. Such zones
25 may only include the area within the governing bodies'
26 jurisdiction, ownership, or control, and may include any such
27 area. The governing bodies shall determine the boundaries for
28 each TIME zone, and more than one TIME zone may exist within the
29 governing bodies' jurisdiction or under the governing bodies'

1 ownership or control, and may be expanded or contracted by
2 resolution of the zone board.

3 4. (1) To establish a TIME zone, the governing bodies of
4 at least two political subdivisions shall each propose an
5 ordinance or resolution creating such zone. Such ordinance or
6 resolution shall set forth the names of the political
7 subdivisions which will form the TIME zone, the general nature of
8 the proposed improvements, the estimated cost of such
9 improvements, the boundaries of the proposed TIME zone, and the
10 estimated number of new jobs to be created in the TIME zone.
11 Prior to approving such ordinance or resolution, each governing
12 body shall hold a public hearing to consider the creation of the
13 TIME zone and the proposed improvements therein. The governing
14 bodies shall hear and pass upon all objections to the TIME zone
15 and the proposed improvements, if any, and may amend the proposed
16 improvements, and the plans and specifications therefor.

17 (2) After the passage or adoption of the ordinance or
18 resolution creating the TIME Zone, governance of the TIME zone
19 shall be by the zone board, which shall consist of seven members
20 selected from the political subdivisions creating the TIME zone.
21 Members of a zone board shall receive no salary or other
22 compensation for their services as members, but shall receive
23 their necessary traveling and other expenses incurred while
24 actually engaged in the discharge of their official duties. The
25 zone board may expand or contract such TIME zone through an
26 ordinance or resolution following a public hearing conducted to
27 consider such expansion or contraction.

28 5. The boundaries of the proposed TIME zone shall be
29 described by metes and bounds, streets, or other sufficiently

1 specific description.

2 6. (1) Prior to retaining any state withholding tax
3 pursuant to subsection 9 of this section, a zone board shall
4 enter into an agreement with the department. Such agreement
5 shall include, but shall not be limited to:

6 (a) The estimated number of new jobs to be created;

7 (b) The estimated average wage of new jobs to be created;

8 (c) The estimated net fiscal impact of the new jobs;

9 (d) The estimated costs of the proposed improvements;

10 (e) The estimated amount of withholding tax to be retained
11 pursuant to subsection 9 of this section over the period of the
12 agreement; and

13 (f) A copy of the ordinance establishing the board and a
14 list of its members.

15 (2) The department shall not approve an agreement with a
16 zone board unless the zone board commits to creating the
17 following number of new jobs:

18 (a) For a TIME zone with a total population of less than
19 five thousand inhabitants as determined by the most recent
20 decennial census, a minimum of five new jobs with an average wage
21 that equals or exceeds ninety percent of the county average wage;

22 (b) For a TIME zone with a total population of at least
23 five thousand inhabitants but less than fifty thousand
24 inhabitants as determined by the most recent decennial census, a
25 minimum of ten new jobs with an average wage that equals or
26 exceeds ninety percent of the county average wage;

27 (c) For a TIME zone with a total population of at least
28 fifty thousand inhabitants but less than one hundred fifty
29 thousand inhabitants as determined by the most recent decennial

1 census, a minimum of fifteen new jobs with an average wage that
2 equals or exceeds ninety percent of the county average wage; and

3 (d) For a TIME zone with a total population of at least one
4 hundred fifty thousand inhabitants as determined by the most
5 recent decennial census, a minimum of twenty-five new jobs with
6 an average wage that equals or exceeds ninety percent of the
7 county average wage.

8 7. (1) The term of the agreement entered into pursuant to
9 subsection 6 of this section shall not exceed ten years. A zone
10 board may apply to the department for approval to renew any
11 agreement. Such application shall be made on forms provided by
12 the department. In determining whether to approve the renewal of
13 an agreement, the department shall consider:

14 (a) The number of new jobs created and the average wage and
15 net fiscal impact of such jobs;

16 (b) The outstanding improvements to be made within the TIME
17 zone and the funding necessary to complete such improvements; and

18 (c) Any other factor the department requires.

19 (2) The department may approve the renewal of an agreement
20 for a period not to exceed ten years. If a zone board has not
21 met the new job requirements pursuant to subdivision (2) of
22 subsection 6 of this section by the end of the agreement, the
23 department shall recapture from such zone board the amount of
24 withholding tax retained by the zone board pursuant to this
25 section and the department shall not approve the renewal of an
26 agreement with such zone board.

27 (3) A zone board shall not retain any withholding tax
28 pursuant to this section in excess of the costs of improvements
29 completed by the zone board.

1 8. If a qualified company is retaining withholding tax
2 pursuant to sections 620.2000 to 620.2020 for new jobs, as such
3 terms are defined in section 620.2005, that also qualify for the
4 retention of withholding tax pursuant to this section, the
5 department shall not authorize an agreement pursuant to this
6 section that results in more than fifty percent of the
7 withholding tax for such new jobs being retained pursuant to this
8 section and sections 620.2000 to 620.2020.

9 9. Upon the completion of an agreement pursuant to
10 subsection 6 of this section, twenty-five percent of the state
11 tax withholdings imposed by sections 143.191 to 143.265 on new
12 jobs within a TIME zone after development or redevelopment has
13 commenced shall not be remitted to the general revenue fund of
14 the state of Missouri. Such moneys shall be deposited into the
15 TIME zone fund established pursuant to subsection 10 of this
16 section for the purpose of continuing to expand, develop, and
17 redevelop TIME zones identified by the zone board, and may be
18 used for managerial, engineering, legal, research, promotion,
19 planning, and any other expenses.

20 10. There is hereby created in the state treasury the "TIME
21 Zone Fund", which shall consist of money collected under this
22 section. The state treasurer shall be custodian of the fund and
23 may approve disbursements from the fund in accordance with
24 sections 30.170 and 30.180 to the zone boards of the TIME zones
25 from which the funds were collected, less the pro-rata portion
26 appropriated by the general assembly to be used solely for the
27 administration of this section, which shall not exceed ten
28 percent of the total amount collected within the TIME zones of a
29 zone board. Notwithstanding the provisions of section 33.080 to

1 the contrary, any moneys remaining in the fund at the end of the
2 biennium shall not revert to the credit of the general revenue
3 fund. The state treasurer shall invest moneys in the fund in the
4 same manner as other funds are invested. Any interest and moneys
5 earned on such investments shall be credited to the fund.

6 11. The zone board shall approve projects consistent with
7 the provisions of this section that begin construction and
8 disburse any money collected under this section. The zone board
9 shall submit an annual budget for the funds to the department
10 explaining how and when such money will be spent.

11 12. A zone board shall submit an annual report by December
12 thirty-first of each year to the department and the general
13 assembly. Such report shall include, but shall not be limited
14 to:

15 (1) The locations of the established TIME zones governed by
16 the zone board;

17 (2) The number of new jobs created within the TIME zones
18 governed by the zone board;

19 (3) The average wage of the new jobs created within the
20 TIME zones governed by the zone board; and

21 (4) The amount of withholding tax retained pursuant to
22 subsection 9 of this section from new jobs created within the
23 TIME zones governed by the zone board.

24 13. No political subdivision shall establish a TIME zone
25 with boundaries that overlap the boundaries of an advanced
26 industrial manufacturing zone established pursuant to section
27 68.075.

28 14. The total amount of withholding taxes retained by all
29 TIME zones pursuant to the provisions of this section shall not

1 exceed five million dollars per fiscal year.

2 15. The department may promulgate rules to implement the
3 provisions of this section. Any rule or portion of a rule, as
4 that term is defined in section 536.010, that is created under
5 the authority delegated in this section shall become effective
6 only if it complies with and is subject to all of the provisions
7 of chapter 536 and, if applicable, section 536.028. This section
8 and chapter 536 are nonseverable and if any of the powers vested
9 with the general assembly pursuant to chapter 536 to review, to
10 delay the effective date, or to disapprove and annul a rule are
11 subsequently held unconstitutional, then the grant of rulemaking
12 authority and any rule proposed or adopted after August 28, 2020,
13 shall be invalid and void.

14 16. Pursuant to section 23.253 of the Missouri sunset act:

15 (1) The provisions of the new program authorized pursuant
16 to this section shall sunset automatically on August 28, 2024,
17 unless reauthorized by an act of the general assembly;

18 (2) If such program is reauthorized, the program authorized
19 pursuant to this section shall sunset automatically twelve years
20 after the effective date of the reauthorization; and

21 (3) This section shall terminate on September first of the
22 calendar year immediately following the calendar year in which
23 the program authorized pursuant to this section is sunset."; and

24 Further amend the title and enacting clause accordingly.