

FIRST REGULAR SESSION
HOUSE COMMITTEE SUBSTITUTE FOR
SENATE BILL NO. 302
99TH GENERAL ASSEMBLY

0850H.03C

D. ADAM CRUMBLISS, Chief Clerk

AN ACT

To repeal sections 68.057, 68.075, and 135.963, RSMo, and to enact in lieu thereof three new sections relating to local enterprise zones.

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

Section A. Sections 68.057, 68.075, and 135.963, RSMo, are repealed and three new sections enacted in lieu thereof, to be known as sections 68.057, 68.075, and 135.963, to read as follows:

68.057. Any expenditure made by a port authority, as defined in section 68.205, that is over twenty-five thousand dollars [~~including professional service contracts,~~] shall be competitively bid. **This section shall not apply to expenditures made to procure professional services, and procurement of such services shall adhere to the provisions of Sections 8.285 to 8.291.**

68.075. 1. This section shall be known and may be cited as the "Advanced Industrial Manufacturing Zones Act".

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

(1) "AIM zone", an area identified through a resolution passed by the port authority board of commissioners appointed under section 68.045 that is being developed or redeveloped for any purpose so long as any infrastructure and building built or improved is in the development area. The port authority board of commissioners shall file an annual report indicating the established AIM zones with the department of revenue;

(2) "County average wage", the average wages in each county as determined by the Missouri department of economic development for the most recently completed full calendar year. **However, if the computed county average wage is above the statewide**

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.

12 **average wage, the statewide average wage shall be deemed the county average wage for**
13 **such county for the purpose of determining eligibility;**

14 (3) "New job", the number of full-time employees located at the project facility that
15 exceeds the project facility base employment less any decrease in the number of full-time
16 employees at related facilities below the related facility base employment. No job that was
17 created prior to the date of the notice of intent shall be deemed a new job. An employee that
18 spends less than fifty percent of the employee's work time at the facility is still considered to be
19 located at a facility if the employee receives his or her directions and control from that facility,
20 is on the facility's payroll, one hundred percent of the employee's income from such employment
21 is Missouri income, and the employee is paid at or above the ~~[state]~~ **county** average wage.

22 3. Any port authority located in this state may establish an AIM zone. Such zone may
23 only include the area within the port authority's jurisdiction, **ownership, or control**, and may
24 include any such area. The port authority shall determine the boundaries for each AIM zone, and
25 more than one AIM zone may exist within the port authority's jurisdiction **or under the port**
26 **authority's ownership or control, and may be expanded or contracted by resolution of the**
27 **port authority board of commissioners.**

28 4. Fifty percent of the state tax withholdings imposed by sections 143.191 to 143.265
29 on new jobs within such zone after development or redevelopment has commenced shall not be
30 remitted to the general **revenue** fund of the state of Missouri. Such moneys shall be deposited
31 into the port authority AIM zone fund established under subsection 5 of this section for the
32 purpose of continuing to expand, develop, and redevelop AIM zones identified by the port
33 authority board of commissioners and may be used for managerial, engineering, legal, research,
34 promotion, planning, satisfaction of bonds issued under section 68.040, and any other expenses.

35 5. There is hereby created in the state treasury the "Port Authority AIM Zone Fund",
36 which shall consist of money collected under this section. The state treasurer shall be custodian
37 of the fund and shall approve disbursements from the fund in accordance with sections 30.170
38 and 30.180 to the port authorities from which the funds were collected, less the pro-rata portion
39 appropriated by the general assembly to be used solely for the administration of this section
40 which shall not exceed ten percent of the total amount collected within the zones of a port
41 authority. Notwithstanding the provisions of section 33.080 to the contrary, any moneys
42 remaining in the fund at the end of the biennium shall not revert to the credit of the general
43 revenue fund. The state treasurer shall invest moneys in the fund in the same manner as other
44 funds are invested. Any interest and moneys earned on such investments shall be credited to the
45 fund.

46 6. The port authority shall approve any projects that begin construction and disperse any
47 money collected under this section. The port authority shall submit an annual budget for the

48 funds to the department of economic development explaining how and when such money will
49 be spent.

50 7. The provision of section 23.253 notwithstanding, no AIM zone may be established
51 after August 28, 2023. Any AIM zone created prior to that date shall continue to exist and be
52 coterminous with the retirement of all debts incurred under subsection 4 of this section. No
53 debts may be incurred or reauthorized using AIM zone revenue after August 28, 2023.

135.963. 1. Improvements made to real property as such term is defined in section
2 137.010 which are made in an enhanced enterprise zone subsequent to the date such zone or
3 expansion thereto was designated may, upon approval of an authorizing resolution or ordinance
4 by the governing authority having jurisdiction of the area in which the improvements are made,
5 be exempt, in whole or in part, from assessment and payment of ad valorem taxes of one or more
6 affected political subdivisions. Improvements made to real property, as such term is defined in
7 section 137.010, which are locally assessed and in a renewable energy generation zone
8 designated as an enhanced enterprise zone, subsequent to the date such enhanced enterprise zone
9 or expansion thereto was designated, may, upon approval of an authorizing resolution or
10 ordinance by the governing authority having jurisdiction of the area in which the improvements
11 are made, be exempt, in whole or in part, from assessment and payment of ad valorem taxes of
12 one or more affected political subdivisions. In addition to enhanced business enterprises, a
13 speculative industrial or warehouse building constructed by a public entity or a private entity if
14 the land is leased by a public entity may be subject to such exemption.

15 2. Such authorizing resolution shall specify the percent of the exemption to be granted,
16 the duration of the exemption to be granted, and the political subdivisions to which such
17 exemption is to apply and any other terms, conditions, or stipulations otherwise required. A copy
18 of the resolution shall be provided to the director within thirty calendar days following adoption
19 of the resolution by the governing authority.

20 3. No exemption shall be granted until the governing authority holds a public hearing
21 for the purpose of obtaining the opinions and suggestions of residents of political subdivisions
22 to be affected by the exemption from property taxes. The governing authority shall send, by
23 certified mail, a notice of such hearing to each political subdivision in the area to be affected and
24 shall publish notice of such hearing in a newspaper of general circulation in the area to be
25 affected by the exemption at least twenty days prior to the hearing but not more than thirty days
26 prior to the hearing. Such notice shall state the time, location, date, and purpose of the hearing.

27 4. Notwithstanding subsection 1 of this section, at least one-half of the ad valorem taxes
28 otherwise imposed on subsequent improvements to real property located in an enhanced
29 enterprise zone of enhanced business enterprises or speculative industrial or warehouse buildings
30 as indicated in subsection 1 of this section shall become and remain exempt from assessment and

31 payment of ad valorem taxes of any political subdivision of this state or municipality thereof, if
32 said political subdivision or municipality levies ad valorem taxes, for a period of not less than
33 ten years following the date such improvements were assessed, provided the improved properties
34 are used for enhanced business enterprises. The exemption for speculative buildings is subject
35 to the approval of the governing authority for a period not to exceed two years if the building is
36 owned by a private entity and five years if the building is owned or ground leased by a public
37 entity. This shall not preclude the building receiving an exemption for the remaining time period
38 established by the governing authority if it was occupied by an enhanced business enterprise.
39 The two- and five-year time periods indicated for speculative buildings shall not be an addition
40 to the local abatement time period for such facility.

41 5. No exemption shall be granted for a period more than twenty-five years [~~following~~
42 ~~the date on which the original enhanced enterprise zone was designated by the department~~],
43 provided, however, that during the ten years prior to the expiration of an enhanced enterprise
44 zone no exemption shall be granted for a period of more than ten years.

45 6. The provisions of subsection 1 of this section shall not apply to improvements made
46 to real property begun prior to August 28, 2004.

47 7. The abatement referred to in this section shall not relieve the assessor or other
48 responsible official from ascertaining the amount of the equalized assessed value of all taxable
49 property annually as required by section 99.855, 99.957, or 99.1042 and shall not have the effect
50 of reducing the payments in lieu of taxes referred to in subdivision (2) of subsection 1 of section
51 99.845, subdivision (2) of subsection 3 of section 99.957, or subdivision (2) of subsection 3 of
52 section 99.1042 unless such reduction is set forth in the plan approved by the governing body
53 of the municipality pursuant to subdivision (1) of subsection 1 of section 99.820, section 99.942,
54 or section 99.1027.

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