HB 1451 -- WORKFORCE DEVELOPMENT

SPONSOR: Riggs

This bill creates the "Office of Workforce Coordinator" within the Department of Economic Development that consists of one individual, who is the director.

The Director will operate independently from the Missouri Workforce Development Board but will work in collaboration with board members to identify programs, tools, best practices and resources that support the success of the future of work by focusing on several factors and parameters, detailed in the bill. In addition, the director will make the services easy for all workforce system stakeholders; understand the future workforce needs for target populations that are left behind; obtain feedback from all partners in a variety of methods; foster awareness and provide access to workforce support; focus on quantum computing with expansion of core competencies, assist workers in obtaining skills to fill critical occupations, all as further explained in the bill.

The Office of Workforce Coordinator will focus on making employment resources available for individuals with disabilities and for formerly incarcerated individuals, as described in the bill.

This bill establishes the "Workforce Housing Tax Incentives Program" within the Department of Economic Development. To be eligible for the Program, proposed housing projects must meet at least one of three specified dwelling unit minimums; projects consist of three types of rehabilitation and two project types that relate to greenfield sites. The bill specifies maximums for average dwelling unit costs for the project type and location. The Department must primarily consider the most recent annual Census Bureau building permits survey and historical program data in determining the maximum average dwelling unit cost. The units must meet the Federal housing quality standards in the Federal code (24 CFR 982) and all applicable local safety standards (Section 620.2024, RSMo).

Housing businesses must apply to the Department as specified by rule to access the Program's tax incentives. Applications must include:

(1) Information about local participation in the project, which includes a supporting resolution by the governing body of the community where the housing project will be located, and documentation of local matching funds of at least $1,000 per dwelling unit;

(2) An agreement between the business and the Department that specifies the eligibility requirements and how they will be maintained. The business must also report any environmental or worker safety law violations within the last five years, which the Department can use to deny assistance unless it finds the violations did not seriously affect health, safety, or the environment;

(3) Total costs and funding sources to allow determination of adequate financing, actual dwelling unit cost, and the qualifying amount of the investment; and

(4) Other necessary information required for the Department's evaluation of the application.

Applications will be reviewed and scored competitively by the Department, as specified in the bill. After all applications are reviewed, the Department can make a tax incentive award to a housing project, which must be approved by the Department Director. The Department must notify the housing business of the tax incentive award; the bill specifies the contents of the notice. The amount is contingent upon completion of requirements. Applicants that do not receive awards can make new applications during subsequent application periods.

Upon receiving the tax incentive award, the housing business must enter an agreement with the Department; the agreement identifies the award amount and date, project completion deadline, and total costs. The bill establishes two compliance fees and requires that projects be completed in three years from their registration with the Department. The Department can extend the deadline for good cause by up to 12 months, with the option for another extension of 12 months. Upon completion of the project, the housing business must submit an examination completed by a certified public accountant on standards for attestation engagements and a statement of the final amount of qualifying new investment, plus any other information the Department requires for compliance.

The maximum aggregate amount of tax incentives for a housing project is $1 million. If a housing business qualifies for a higher amount than is allowed, the Department and business can negotiate an apportionment of the reduction in tax incentives between the sales tax refund and the housing investment tax credits as long as the total aggregate amount of incentives does not exceed the amount set by the bill.

The incentives must be issued on a first-come, first-served basis until the maximum amount of incentives is reached. The Department must maintain a list of registered projects and projects awarded incentives; it will also establish a wait list.

Failure of a housing business to complete a project or to comply with requirements can result in revocation, reduction, termination, or rescission of awards or incentives. Repayment of incentives is considered as a tax payment due and payable to the Department of Revenue. The community has the authority to recover the value of property taxes not collected as a result of exemption awarded to a business under the Program.

The Department of Economic Development can establish a disaster recovery housing project application period after the declaration of a major disaster. The bill specifies that tax incentives will be issued on a first-come, first-served basis until the maximum amount of incentives is allocated. The bill allots $35 million to these projects, with $17.5 million for projects in small cities. All other housing projects that are not disaster recovery have a $35 million cap (Section 620.2026).

A housing business can claim a refund of sales and use taxes paid prior to the completion of the housing project that are directly related to the project and specified in the project agreement. The bill establishes a process for the refund. For tax years beginning January 1, 2026, a housing business can claim a tax credit that is a percentage of the qualifying new investment for housing projects in an urban area or a small city and a disaster recovery project.

The bill also allows a pro rata share of an individual's earnings from a partnership, limited liability company, S corporation, estate, or trust to a taxpayer who elects to have income taxed directly to the individual. The bill creates a procedure for including tax credit certificates with the taxpayer's tax return. Under this procedure considerations paid for the transfer of the tax credit are not included as income or deducted from income tax under Chapter 143. Any required information, documents, or records under specified subsections is exempt from the Personal Privacy Protection Act in Section 105.1500.

The provisions of the bill sunset December 31st, six years after the effective date (Section 620.2028).

This bill is similar to HB 240 (2025).