

1 State of Arkansas
2 92nd General Assembly
3 Regular Session, 2019
4

A Bill

HOUSE BILL 1371

5 By: Representative A. Davis
6 By: Senator Hester
7

For An Act To Be Entitled

9 AN ACT TO CREATE THE TRANSFORMATION AND EFFICIENCIES
10 ACT OF 2019; TO ESTABLISH CABINET-LEVEL DEPARTMENTS;
11 TO ESTABLISH THE CABINET-LEVEL DEPARTMENT OF
12 COMMERCE; TO TRANSFER STATE ENTITIES; TO DECLARE AN
13 EMERGENCY; AND FOR OTHER PURPOSES.
14
15

Subtitle

16 TO CREATE THE TRANSFORMATION AND
17 EFFICIENCIES ACT OF 2019; TO ESTABLISH
18 CABINET-LEVEL DEPARTMENTS; TO ESTABLISH
19 THE CABINET-LEVEL DEPARTMENT OF COMMERCE;
20 TO TRANSFER STATE ENTITIES; AND TO
21 DECLARE AN EMERGENCY.
22
23
24

25 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
26

27 SECTION 1. Arkansas Code Title 25, Chapter 43, is amended to add an
28 additional subchapter to read as follows:

Subchapter 3 – Department of Commerce

25-43-301. Department of Commerce.

31 There is created a Department of Commerce as a cabinet-level
32 department.
33
34

25-43-302. State entities transferred to the Department of Commerce.

35 (a) The administrative functions of the following state entities are
36



1 transferred to the Department of Commerce:

2 (1) The Adult Education Section of the Department of Career
3 Education, now known as the Adult Education Section of the Division of
4 Workforce Services, created under § 25-43-305;

5 (2) The Arkansas Deaf and Hearing Impaired Telecommunications
6 Service Corporation, created under § 25-29-101;

7 (3) The Arkansas Division of Aeronautics, created under § 27-
8 115-101;

9 (4) The Arkansas Development Finance Authority, created under §
10 15-5-201;

11 (5) The Arkansas Economic Development Commission, created under
12 § 25-11-101;

13 (6) The Arkansas Economic Development Council, created under §
14 15-4-201 and § 25-11-102;

15 (7) The Arkansas Housing Trust Fund Advisory Committee, created
16 under § 15-5-1706;

17 (8) Arkansas Rehabilitation Services, created under § 6-52-101;

18 (9) The Arkansas Rural Development Commission, created under §
19 15-6-104;

20 (10) The Arkansas Waterways Commission, created under § 15-23-
21 201;

22 (11) The Arkansas Wine Producers Council, created under § 3-5-
23 701;

24 (12) The Arkansas Workforce Development Board, created under §
25 15-4-3704;

26 (13) The Board of Review, created under § 11-10-523;

27 (14) The Board of the Division of State Services for the Blind,
28 created under § 25-10-205;

29 (15) The Career Education and Workforce Development Board,
30 created under § 25-30-101;

31 (16) The Department of Workforce Services, created under § 11-
32 10-301;

33 (17) The Division of Minority and Women-Owned Business
34 Enterprise of the Arkansas Economic Development Commission, created under §
35 15-4-304;

36 (18) The Division of Science and Technology of the Arkansas

1 Economic Development Commission, created under § 15-3-103;

2 (19) The Division of State Services for the Blind, created under
 3 § 5-10-201;

4 (20) The Governor’s Commission on People with Disabilities,
 5 created under § 20-14-202;

6 (21) The Office of Skills Development, created under § 25-30-
 7 109;

8 (22) The State Bank Department, created under § 23-46-201;

9 (23) The State Banking Board, created under § 23-46-301;

10 (24) The State Board of Embalmers, Funeral Directors,
 11 Cemeteries, and Burial Services, created under § 23-61-1102;

12 (25) The State Insurance Department, created under § 23-61-101;
 13 and

14 (26) The State Securities Department, created § 23-42-201.

15 (b) Each state entity transferred under subsection (a) of this section
 16 shall retain its specified statutory duties.

17
 18 25-43-303. Secretary of the Department of Commerce.

19 (a) The Secretary of the Department of Commerce is the executive head
 20 of the Department of Commerce.

21 (b) The secretary shall be appointed by the Governor, subject to
 22 confirmation by the Senate, and shall serve at the pleasure of the Governor.

23 (c) The secretary may:

24 (1) Delegate to the employees of the department, or any state
 25 entity transferred to the department under § 25-43-302, any of the powers or
 26 duties of the department required to administer the department;

27 (2) Hire department personnel;

28 (3) Perform or assign duties assigned to the department; and

29 (4) Serve as the director, or the administrative or executive
 30 head of any state entity under the administrative control of the department
 31 if the secretary also meets all statutory requirements for the position.

32
 33 25-43-304. Compliance with federal law.

34 (a) All employees of the Department of Commerce shall be assigned and
 35 perform assigned duties in compliance with all applicable federal laws,
 36 regulations, and rules, including without limitation all rules related to the

1 State Securities Department and the Insurance Department.

2 (b) To ensure compliance with federal law, only Department of Commerce
 3 employees who are dedicated employees of the State Bank Department shall:

4 (1) Conduct examinations of financial institutions;

5 (2) Handle and process reports of examinations of financial
 6 institutions; and

7 (3) Handle confidential financial institution information.

8
 9 25-43-305. Adult Education Section of the Division of Workforce
 10 Services.

11 (a) There is created within the Division of Workforce Services an
 12 Adult Education Section.

13 (b) The Secretary of the Department of Commerce may delegate any
 14 duties and responsibilities to the Adult Education Section of the Division of
 15 Workforce Services.

16 (c) The Secretary of the Department of Commerce may employ the
 17 personnel necessary to administer the Adult Education Section of the Division
 18 of Workforce Services.

19
 20 SECTION 2. Arkansas Code § 3-5-703(d), concerning the powers and
 21 duties of the Arkansas Wine Producers Council, is amended to read as follows:

22 (d) Upon approval by a majority vote of the council of a proposal for
 23 research by a university research institution or for promotion or tourism by
 24 the commission, the council shall direct the Chief Fiscal Officer of the
 25 State to transfer on the Department of Finance and Administration books, and
 26 shall cause to be transferred on the books of the Treasurer of State and the
 27 Auditor of State, such amounts as determined by the council from the Arkansas
 28 Wine Producers Council Fund to the Department of Parks, Heritage, and Tourism
 29 Fund Account and to the operating fund or fund accounts of approved research
 30 institutions. Use of these funds may be applied as prescribed in this section
 31 in the various states of the United States and foreign countries.

32
 33 SECTION 3. Arkansas Code § 4-30-207(a), concerning banks declared
 34 investment companies, is amended to read as follows:

35 (a) Every cooperative bank organized under this chapter prior to March
 36 22, 1937, which is not situated in a city, town, or community in which there

1 is also situated a state or national bank or a teller's window branch thereof
2 is declared to be an investment company and shall be placed under the
3 regulation and supervision of the State Securities Department, in the same
4 manner as now provided by law for other investment companies. The Securities
5 Commissioner, with the approval of the Secretary of the Department of
6 Commerce, is authorized, empowered, and directed to make and promulgate all
7 such rules and regulations not inconsistent herewith as shall be necessary or
8 convenient for the administration and carrying out of this subchapter and for
9 the supervision and control of all such organizations.

10
11 SECTION 4. Arkansas Code § 4-113-104(a)(2), concerning the creation of
12 the Arkansas Broadband Council, is amended to read as follows:

13 (2) Receive input from all Arkansas broadband stakeholders and
14 advise the ~~Governor~~ Secretary of the Department of Commerce and the General
15 Assembly on policies related to broadband in Arkansas;

16
17 SECTION 5. Arkansas Code § 4-113-104(b)(5), concerning the creation of
18 the Arkansas Broadband Council, is amended to read as follows:

19 (5) The ~~Executive~~ Director of the Arkansas Economic Development
20 Commission or his or her designee who shall serve as an ex officio member of
21 the council.

22
23 SECTION 6. Arkansas Code § 5-4-303(e)(1)(B)(ii)(c), concerning the
24 conditions of suspension or probation for a defendant, is amended to read as
25 follows:

26 (c) Earn a high school diploma by passing the
27 ~~Department of Career Education~~ Adult Education Section approved assessment;
28 or

29
30 SECTION 7. Arkansas Code § 5-4-323(a)(1), concerning a high school
31 diploma or high school equivalency diploma and employment training, is
32 amended to read as follows:

33 (a)(1) As an additional requirement for suspension of sentence or
34 probation, a court may require any person who is sentenced for a felony or a
35 Class A misdemeanor to make a good faith effort toward completion of a high
36 school diploma or a high school equivalency diploma approved by the

1 ~~Department of Career Education~~ Adult Education Section unless the person has
 2 already achieved a high school diploma or a high school equivalency diploma.

3
 4 SECTION 8. Arkansas Code § 5-4-323(a)(5)(B), concerning a high school
 5 diploma or high school equivalency diploma and employment training, is
 6 amended to read as follows:

7 (B) The office shall then report to the ~~Department of~~
 8 ~~Career Education~~ Adult Education Section.

9
 10 SECTION 9. Arkansas Code § 5-4-908(b)(2)-(4), concerning the operation
 11 of the pre-adjudication probation program, are amended to read as follows:

12 (2) The ~~Department of Education~~ Division of Elementary and
 13 Secondary Education;

14 (3) The ~~Department of Career Education~~ Adult Education Section;

15 (4) The ~~Department~~ Division of Community Correction;

16
 17 SECTION 10. Arkansas Code § 6-5-1102(b), concerning the establishment,
 18 membership, and meetings of the Council on Postsecondary Education and Career
 19 Readiness, is amended to read as follows:

20 (b) The council shall consist of eleven (11) members as follows:

21 (1) The Commissioner of Education or his or her designee;

22 (2) The Director of the ~~Department~~ Division of Higher Education
 23 or his or her designee;

24 (3) The Director of the ~~Department~~ Division of Career and
 25 Technical Education or his or her designee;

26 (4) The ~~Executive~~ Director of the Arkansas Economic Development
 27 Commission or his or her designee;

28 (5) The Director of the ~~Department~~ Division of Workforce
 29 Services or his or her designee;

30 (6) A president or chancellor of an Arkansas four-year
 31 institution of higher education or his or her designee, appointed annually by
 32 the Director of the ~~Department~~ Division of Higher Education;

33 (7) The Executive Director of the Arkansas Association of
 34 Educational Administrators or his or her designee;

35 (8) The Executive Director of Arkansas Community Colleges or his
 36 or her designee;

1 (9) The Executive Director of the Arkansas Education Association
 2 or his or her designee;

3 (10) The Executive Director of the Arkansas School Boards
 4 Association or his or her designee; and

5 (11) The President of the Arkansas State Chamber of Commerce and
 6 the Associated Industries of Arkansas or his or her designee.

7
 8 SECTION 11. Arkansas Code § 6-5-1102(g), concerning the establishment,
 9 membership, and meetings of the Council on Postsecondary Education and Career
 10 Readiness, is amended to read as follows:

11 (g) ~~The Department of Education, Department of Higher Education, and~~
 12 ~~Department of Career Education, alternating each year, Department of Commerce~~
 13 shall provide meeting space and staff for the council.

14
 15 SECTION 12. Arkansas Code § 6-11-202 is amended to read as follows:
 16 6-11-202. Records of proceedings.

17 The Career Education and Workforce Development Board shall keep in the
 18 office of the Director of the ~~Department of Career Education~~ Office of Skills
 19 Development a complete record of the minutes of its meetings and other
 20 proceedings.

21
 22 SECTION 13. Arkansas Code § 6-11-204(a), concerning copies of
 23 documents as evidence authenticated by the official seal of the Career
 24 Education and Workforce Development Board, is amended to read as follows:

25 (a) The Career Education and Workforce Development Board shall adopt a
 26 seal, and the seal shall be used by the Director of the ~~Department of Career~~
 27 ~~Education~~ Office of Skills Development to authenticate documents or copies of
 28 documents as the board or director considers advisable.

29
 30 SECTION 14. Arkansas Code § 6-11-208(a)(1) and (2), concerning the
 31 formation of the Regional Educational Career Alternative School System for
 32 Adjudicated Youth multiagency task force, is amended to read as follows:

33 (a)(1) A multiagency task force, staffed and supported by the
 34 ~~Department~~ Division of Career and Technical Education, is established and
 35 shall consist of five (5) members, including:

36 (A) The Commissioner of Education or his or her designee;

1 (B) The Director of the ~~Department~~ Division of Career and
 2 Technical Education or his or her designee;

3 (C) The Director of the ~~Department~~ Division of Higher
 4 Education or his or her designee;

5 (D) The ~~Director~~ Secretary of the Department of Human
 6 Services or his or her designee; and

7 (E) The Director of the ~~Department~~ Division of Workforce
 8 Services or his or her designee.

9 (2) Funding for the multiagency task force shall be provided by:

10 (A) The ~~Department~~ Division of Career and Technical
 11 Education; or

12 (B) Each agency that serves on the multiagency task force,
 13 in an equal amount from available, eligible funding.

14
 15 SECTION 15. Arkansas Code § 6-16-118(b), concerning high school
 16 equivalency testing for adults and fees, is amended to read as follows:

17 (b) A high school equivalency test for adults shall be administered by
 18 the educational agencies and institutions approved by the ~~Department of~~
 19 ~~Career Education~~ Adult Education Section of the Division of Workforce
 20 Services.

21
 22 SECTION 16. Arkansas Code § 6-17-2403(d)(2), concerning minimum
 23 teacher compensation schedules, is amended to read as follows:

24 (2) The minimum teacher compensation schedule for a part-time
 25 teacher or part-time paraprofessional employed by a school district to work
 26 in an adult education program shall be established by the Adult Education
 27 Section of the ~~Department of Career Education~~ Division of Workforce Services
 28 and approved by the ~~Career Education and~~ Arkansas Workforce Development
 29 Board.

30
 31 SECTION 17. Arkansas Code § 6-18-201(b)(2)(A), concerning compulsory
 32 school attendance and exceptions, is amended to read as follows:

33 (2)(A) After formal application and before any further action on
 34 the application, the student shall be administered either a basic skills test
 35 or a high school equivalency practice test under standardized testing
 36 conditions by a public school official designated by the school and shall

1 score an appropriate score as determined by the Adult Education Division of
2 the ~~Department of Career Education~~ Division of Workforce Services on the
3 basic skills test or a passing score on all areas of the official high school
4 equivalency practice test.

5
6 SECTION 18. Arkansas Code § 6-18-201(b)(9), concerning compulsory
7 school attendance and exceptions, is amended to read as follows:

8 (9) In the event that a more appropriate assessment test or
9 testing and assessment mechanism shall be developed to determine a reasonable
10 level of competency for success at the adult education level, that test or
11 mechanism shall be substituted, with the approval of the Adult Education
12 Division of the ~~Department of Career Education~~ Division of Workforce
13 Services, for the tests required in subdivision (b)(2) of this section;

14
15 SECTION 19. Arkansas Code § 6-18-201(e)(2), concerning compulsory
16 school attendance and exceptions, is amended to read as follows:

17 (2) Any contract for services by an adult education program for
18 sixteen-year-olds and seventeen-year-olds shall be submitted to the
19 ~~Department of Career Education~~ Adult Education Section of the Division of
20 Workforce Services for final approval.

21
22 SECTION 20. Arkansas Code § 6-42-303(b)(3)(A)(ii)-(iv), concerning the
23 creation of the Board of Visitors for the Arkansas School for Mathematics,
24 Sciences, and the Arts, are amended to read as follows:

25 (ii) The Director of the ~~Department~~ Division of
26 Higher Education;

27 (iii) The ~~Executive~~ Director of the Arkansas
28 Economic Development Commission or his or her designee;

29 (iv) The Director of the ~~Department~~ Division of
30 Arkansas Heritage;

31
32 SECTION 21. Arkansas Code § 6-50-205(a), concerning the educational
33 program approval and priorities, is amended to read as follows:

34 (a) The State Board of Career Education shall consider comments and
35 suggestions from the Department of Higher Education, the Arkansas Higher
36 Education Coordinating Board, the Arkansas Economic Development Council, the

1 ~~Department~~ Division of Workforce Services, the Arkansas State Chamber of
2 Commerce, and other appropriate entities annually to develop and publish a
3 list of technical education programs that are approved for this program.
4

5 SECTION 22. Arkansas Code § 6-53-203(b), concerning the duties and
6 powers of Arkansas Higher Education Coordinating Board, is amended to read as
7 follows:

8 (b) The board shall develop and maintain short-range and long- range
9 plans for providing current and appropriate occupational and technical
10 training for adults and may solicit information for its planning activities
11 from the State Board of Education, the ~~Department~~ Division of Workforce
12 Services, any industry training program of the state, any apprenticeship
13 training program of the state, and other state agencies, institutions, and
14 departments.
15

16 SECTION 23. Arkansas Code § 6-50-702(6), concerning the definition of
17 "governing council" under the Arkansas Existing Workforce Training Act of
18 1995, is amended to read as follows:

19 (6) "Governing council" means the ~~directors~~ Director of the
20 Arkansas Economic Development Commission, the ~~Department~~ Director of the
21 Division of Higher Education, and the ~~Department~~ Director of the Division of
22 ~~Career Education~~ Skills Development or their designees;
23

24 SECTION 24. Arkansas Code § 6-52-101(a), concerning Arkansas
25 Rehabilitation Services, is amended to read as follows:

26 (a) ~~Effective July 1, 1993, Division of Rehabilitation Services of the~~
27 ~~Department of Human Services is transferred to the Department of Career~~
28 ~~Education and shall be known as the Arkansas Rehabilitation Services. The~~
29 ~~State Board of Career Education~~ The Department of Commerce shall have the
30 same authority and responsibility with respect to the administration and
31 operation of the Arkansas Rehabilitation Services as it has with respect to
32 ~~the Department of Career Education~~ all other state entities transferred to
33 the Department of Commerce under § 25-43-302.
34

35 SECTION 25. Arkansas Code § 6-52-101(a), concerning the Arkansas
36 Rehabilitation Services, is amended to read as follows:

1 (a) ~~Effective July 1, 1993, the Division of Rehabilitation Services of~~
 2 ~~the Department of Human Services is transferred to the Department of Career~~
 3 ~~Education and shall be known as the Arkansas Rehabilitation Services is~~
 4 ~~transferred to the Division of Workforce Services. The State Board of Career~~
 5 ~~Education shall have the same authority and responsibility with respect to~~
 6 ~~the administration and operation of the Arkansas Rehabilitation Services as~~
 7 ~~it has with respect to the Department of Career Education.~~

8
 9 SECTION 26. Arkansas Code § 6-52-102 is amended to read as follows:
 10 6-52-102. Transfer of authority, property, etc.

11 (a) All authorities and responsibilities defined in the Rehabilitation
 12 Act of Arkansas, § 20-79-201 et seq., shall be administered by ~~the~~ Arkansas
 13 Rehabilitation Services under the direction of the ~~State Board of Career~~
 14 ~~Education~~ Department of Commerce, except those transferred to the Division of
 15 State Services for the Blind by § 25-10-201 et seq.

16 (b) Any and all statutory authority, powers, duties, functions,
 17 records, authorized positions, property, unexpended balances of
 18 appropriations, allocations, or other funds transferred from the Division of
 19 Rehabilitation Services to the Department of Human Services by § 25-10-102 et
 20 seq. are hereby transferred to ~~the~~ Arkansas Rehabilitation Services.

21
 22 SECTION 27. Arkansas Code § 6-52-203 is amended to read as follows:
 23 6-52-203. Rules.

24 ~~The Department of Career Education~~ Office of Skills Development and the
 25 State Apprenticeship Coordination Steering Committee shall promulgate rules
 26 necessary to implement the provisions of this subchapter.

27
 28 SECTION 28. Arkansas Code § 6-52-204(b)(1) and (2), concerning the
 29 State Apprenticeship Coordination Steering Committee, are amended to read as
 30 follows:

31 (1) One (1) person designated by and representing the ~~Department~~
 32 ~~of Career Education~~ Office of Skills Development;

33 (2) One (1) person designated by and representing the ~~Department~~
 34 Division of Labor;

35
 36 SECTION 29. Arkansas Code § 6-52-204(c)(1), concerning the State

1 Apprenticeship Coordination Steering Committee, is amended to read as
2 follows:

3 (c)(1) The member representing the general public shall be appointed
4 by the ~~Department of Career Education~~ Office of Skills Development for a term
5 of four (4) years.

6
7 SECTION 30. Arkansas Code § 6-52-205(b)(1), concerning the duties of
8 the State Apprenticeship Coordination Steering Committee, is amended to read
9 as follows:

10 (b)(1) The ~~Department of Career Education~~ Office of Skills Development
11 shall furnish the coordination committee with the current data necessary to
12 develop the plan.

13
14 SECTION 31. Arkansas Code § 6-52-206(a), concerning recommendations of
15 the State Apprenticeship Coordination Steering Committee, is amended to read
16 as follows:

17 (a) Recommendations of the State Apprenticeship Coordination Steering
18 Committee submitted to the ~~Department of Career Education~~ Office of Skills
19 Development Education must be acted on and either accepted or rejected.

20
21 SECTION 32. Arkansas Code § 6-52-207(a), concerning apprenticeship
22 training programs, is amended to read as follows:

23 (a) Pursuant to the provisions of this subchapter, the Director of the
24 ~~Department of Career Education~~ Office of Skills Development shall allocate
25 state funds for the support of apprenticeship training programs that meet the
26 criteria set forth in this subchapter.

27
28 SECTION 33. Arkansas Code § 6-52-207(h), concerning apprenticeship
29 training programs, is amended to read as follows:

30 (h) A program must be registered with the United States Office of
31 Apprenticeship and the ~~Department of Career Education~~ Office of Skills
32 Development.

33 SECTION 34. Arkansas Code § 6-55-104(b), concerning the creation,
34 purpose, and administration of the Arkansas Construction Industry Craft
35 Training Program, is amended to read as follows:

36 (b) The program will be administered by the ~~Department of Career~~

1 ~~Education~~ Office of Skills Development in collaboration with the State
2 Apprenticeship Coordination Steering Committee created by § 6-52-204.

3
4 SECTION 35. Arkansas Code § 6-55-107(c), concerning apprenticeship
5 program requirements and the Arkansas Construction Industry Craft Training
6 Trust Fund, is amended to read as follows:

7 (c) Upon the recommendation of the State Apprenticeship Coordination
8 Steering Committee, the ~~Department of Career Education~~ Office of Skills
9 Development shall expend the moneys in the trust fund from time to time to
10 support the training program prescribed in this chapter.

11
12 SECTION 36. Arkansas Code § 6-55-108 is amended to read as follows:
13 6-55-108. Rules.

14 The ~~Department of Career Education~~ Office of Skills Development and the
15 State Apprenticeship Coordination Steering Committee shall promulgate rules
16 necessary to implement the provisions of this chapter.

17
18 SECTION 37. Arkansas Code § 6-58-101(1), concerning the definition of
19 "adult education program" under the laws governing the National Park College,
20 is amended to read as follows:

21 (1) "Adult education program" means any classes designed to
22 assist students in preparing for a high school equivalency test, any class
23 designed to improve performance in general basic skills, parenting, English
24 proficiency, or other areas funded by the Adult Education Section of the
25 ~~Department of Career Education~~ Division of Workforce Services; and

26
27 SECTION 38. Arkansas Code § 6-60-105(a)(1), concerning a report of
28 employment and earnings outcomes, is amended to read as follows:

29 (a)(1) Annually, ~~beginning June 30, 2016,~~ the ~~Department~~ Division of
30 Workforce Services shall prepare or contract with an entity to prepare an
31 economic security report of employment and earning outcomes for degrees and
32 certificates earned at state-supported institutions of higher education.

33
34 SECTION 39. Arkansas Code § 6-60-105(b), concerning a report of
35 employment and earnings outcomes, is amended to read as follows:

36 (b) Annually, beginning July 1, 2016, a four-year state-supported

1 institution of higher education and a two-year state-supported institution of
2 higher education shall provide an enrolled student with electronic access to
3 the economic security report of employment and earnings outcomes prepared by
4 the ~~Department~~ Division of Workforce Services before the student registers
5 for classes.

6
7 SECTION 40. Arkansas Code § 6-60-105(d), concerning a report of
8 employment and earnings outcomes, is amended to read as follows:

9 (d) Annually, beginning August 1, 2016, a public school student in
10 grade seven through grade twelve (7-12) or the student's parent or guardian
11 shall receive a two-page summary of and electronic access to the Department
12 of Workforce Service's economic security report of employment and earnings
13 outcomes prepared under this section.

14
15 SECTION 41. Arkansas Code § 6-60-107(a)(2)(B), concerning workforce
16 initiative funding, is amended to read as follows:

17 (B) Include input from the Department of Education, the
18 ~~Department~~ Division of Workforce Services, the Arkansas Economic Development
19 Commission, and the Department of Career Education; and

20
21 SECTION 42. Arkansas Code § 6-60-107(a)(3)(B), concerning workforce
22 initiative funding, is amended to read as follows:

23 (B) Include recommendations from the Department of
24 Education, the ~~Department~~ Division of Workforce Services, the Arkansas
25 Economic Development Commission, and the Department of Career Education.

26
27 SECTION 43. Arkansas Code § 6-61-1502(b)(6), concerning the Electrical
28 Energy Advancement Program Fund Board, is amended to read as follows:

29 (6) The ~~Executive~~ Director of the Arkansas Economic Development
30 Commission or his or her designee; and

31
32 SECTION 44. Arkansas Code § 6-82-1804(a)(3)(B)(i), recipients of the
33 Arkansas Future Grant, is amended to read as follows:

34 (i) The Department of Higher Education, in
35 consultation with the ~~Department~~ Division of Workforce Services, determines
36 that there was no employment position available that would reasonably enable

1 the student to meet this requirement; or

2
3 SECTION 45. Arkansas Code § 6-85-304(a)(5)(B), concerning the
4 eligibility of a student for the Arkansas Workforce Challenge Scholarship, is
5 amended to read as follows:

6 (B)(i) The ~~Department~~ Division of Workforce Services shall
7 provide annually to the Department of Higher Education by March 1 a list that
8 identifies the five (5) most in-demand occupations in this state in each
9 high-demand field under subdivision (a)(4) of this section that require the
10 completion of a program of study that leads to an associate degree or a
11 certificate program.

12 (ii) The ~~Department~~ Division of Workforce Services
13 shall publish on its website the list under subdivision (a)(5)(B)(i) of this
14 section and data supporting the list.

15
16 SECTION 46. Arkansas Code § 9-28-1201(b)(2)(C), concerning the
17 creation and membership of the Youth Justice Reform Board, is amended to read
18 as follows:

19 (C) Representatives from the Department of Education,
20 ~~Department~~ Division of Workforce Services, the Division of Children and
21 Family Services of the Department of Human Services, and the Division of
22 Aging, Adult, and Behavioral Health Services of the Department of Human
23 Services;

24
25 SECTION 47. Arkansas Code § 11-9-102(17)(A), concerning the definition
26 of "state average weekly wage" under Workers' Compensation Law, is amended to
27 read as follows:

28 (17)(A) "State average weekly wage" means the state average
29 weekly wage determined annually by the ~~Department~~ Division of Workforce
30 Services in the preceding calendar year pursuant to § 11-10-502.

31
32 SECTION 48. Arkansas Code § 11-9-506(a), concerning the recipients of
33 unemployment benefits and limitations on compensation, is amended to read as
34 follows:

35 (a) Any other provisions of this chapter to the contrary
36 notwithstanding, no compensation in any amount for temporary total, temporary

1 partial, or permanent total disability shall be payable to an injured
2 employee with respect to any week for which the injured employee receives
3 unemployment insurance benefits under the ~~Department~~ Division of Workforce
4 Services Law, § 11-10-101 et seq., or the unemployment insurance law of any
5 other state.

6
7 SECTION 49. Arkansas Code § 11-10-101 is amended to read as follows:
8 11-10-101. Title.

9 This chapter shall be known and may be cited as the "~~Department~~
10 Division of Workforce Services Law".

11
12 SECTION 50. Arkansas Code § 11-10-106(d), concerning the disclosure of
13 information and penalties under the Department of Workforce Services Law, is
14 amended to read as follows:

15 (d) Disclosure of Information. If any employee or member of the Board
16 of Review, the Director of the ~~Department~~ Division of Workforce Services, or
17 any employee of the director, in violation of the provisions of § 11-10-314,
18 makes any disclosure of information obtained from any employing unit or
19 individual in the administration of this chapter; if any person who has
20 obtained any list of applicants for work, or of claimants or recipients of
21 benefits, under this chapter shall use or permit the use of the list for any
22 political purpose; or if any person who has lawfully obtained information
23 from the ~~Department~~ Division of Workforce Services which was obtained from
24 any employing unit or individual pursuant to the administration of this
25 chapter makes an unlawful use or disclosure of the information or uses or
26 discloses the information in a manner inconsistent with the purposes for
27 which it was lawfully obtained, then that person shall be fined not less than
28 twenty dollars (\$20.00) nor more than two hundred dollars (\$200) or
29 imprisoned for not longer than ninety (90) days, or both.

30
31 SECTION 51. Arkansas Code § 11-10-108(a), concerning the protection of
32 rights and benefits and the limitation of fees under the Department of
33 Workforce Services Law, is amended to read as follows:

34 (a) No individual claiming benefits shall be charged fees or costs of
35 any kind in any proceeding under this chapter by the Board of Review, the
36 Director of the ~~Department~~ Division of Workforce Services, or his or her or

1 its representatives, or by any court or any officer thereof, except that, if
2 the court determines that the proceedings for judicial review have been
3 instituted or continued without reasonable grounds, it may assess costs
4 against the claimant or employer instituting or continuing the proceedings.
5

6 SECTION 52. Arkansas Code § 11-10-109(e), concerning the protection of
7 rights and benefits, and the prohibition of the assignment, pledge or
8 encumbrance of benefits, is amended to read as follows:

9 (e) Benefits shall be subject to tax levies issued by the Internal
10 Revenue Service in accordance with 26 U.S.C. § 6331(h) provided that an
11 agreement is entered into between the Internal Revenue Service and the
12 ~~Department~~ Division of Workforce Services and approved by the United States
13 Department of Labor that provides for the payment of all administrative costs
14 associated with processing the tax levies.
15

16 SECTION 53. Arkansas Code § 11-10-110(a), concerning the protection of
17 rights and benefits and exceptions for withholding child support under the
18 Department of Workforce Services Law, is amended to read as follows:

19 (a) At the time of filing the claim, an individual filing a new claim
20 for unemployment compensation shall disclose whether or not the individual
21 owes child support obligations as defined under ~~subsection~~ subdivision (g)(1)
22 of this section. If any individual discloses that he or she owes child
23 support obligations and is determined to be eligible for unemployment
24 compensation, the Director of the ~~Department~~ Division of Workforce Services
25 shall notify the state or local child support enforcement agency enforcing
26 the obligation that the individual has been determined to be eligible for
27 unemployment compensation.
28

29 SECTION 54. Arkansas Code § 11-10-111(a)(2), concerning the protection
30 of rights and benefits and exceptions for withholding food stamp overages
31 under the Department of Workforce Services Law, is amended to read as
32 follows:

33 (2) The Director of the ~~Department~~ Division of Workforce
34 Services shall notify the state food stamp agency enforcing the obligation of
35 any individual who discloses that he or she owes a food stamp overage
36 obligation and who is determined to be eligible for unemployment

1 compensation.

2
3 SECTION 55. Arkansas Code § 11-10-201(b)(2), concerning the base
4 period for a benefit year, is amended to read as follows:

5 (2) "Extended base period" means the four (4) quarters prior to
6 the claimant's base period. These four (4) quarters may be substituted for
7 base period quarters on a quarter-by-quarter basis to establish a valid claim
8 regardless of whether the wages have been used to establish a prior claim,
9 except that any wages earned that would render the ~~Department~~ Division of
10 Workforce Services out of compliance with applicable federal law will be
11 excluded if used in a prior claim.

12
13 SECTION 56. Arkansas Code § 11-10-206 is amended to read as follows:
14 11-10-206. Director.

15 As used in this chapter, unless the context clearly requires otherwise,
16 "director" means the Director of the ~~Department~~ Division of Workforce
17 Services.

18
19 SECTION 57. Arkansas Code § 11-10-207 is amended to read as follows:
20 11-10-207. Regulations.

21 All regulations previously promulgated under this chapter shall be
22 enforceable by the Director of the ~~Department~~ Division of Workforce Services
23 and shall remain in full force and effect unless or until such time as
24 amended by the director.

25
26 SECTION 58. Arkansas Code § 11-10-208(c), concerning an employing
27 unit, is amended to read as follows:

28 (c)(1) Any employer may on or before December 1 prior to the year the
29 application is to become effective make application in writing to the
30 ~~Department~~ Division of Workforce Services to participate in a joint account
31 with one (1) or more other employers.

32 (2) The ~~department~~ division shall approve those applications
33 that meet the requirements of this section.

34 (3) Any application to participate in a joint account may be
35 filed on or before December 1 prior to the year the membership is to become
36 effective, provided, however, all contributions, interest, and penalties due

1 from the applicant-employer must be paid prior to the effective date of the
2 employer's membership in the joint account.

3 (4) All such applications shall be accepted only on the
4 condition that the applicant waive all rights he or she has in his or her
5 individual employer account under the law when the ~~department~~ division
6 approves his or her application and merges his or her individual account into
7 a joint account for experience-rating purposes.

8 (5) Each applicant-employer shall agree to assume joint and
9 several liability for any contributions, interest, and penalties accruing on
10 the part of any one (1) of the employers participating in the joint account
11 during the duration of the account in consideration for the ~~department's~~
12 division's granting the applicant-employer the right to participate in it.

13 (6) Each employer participating in a joint account agrees to
14 maintain a sufficient record of the employee's own employment in order that
15 the employer can furnish the ~~department~~ division with information necessary
16 to enable the ~~department~~ division to make proper certification to the
17 Internal Revenue Service under the Federal Unemployment Tax Act and to enable
18 the ~~department~~ division to determine any benefit charges against the
19 employee's separate account.

20 (7) No reduced rate of contributions shall be established for
21 any joint account until each participating employer is individually eligible
22 for the calculation of a contribution rate.

23 (8) All joint accounts will be maintained only on a calendar-
24 year basis, and joint accounts must be maintained for a minimum period of two
25 (2) calendar years unless terminated sooner by action of the ~~department~~
26 division.

27 (9) All contribution credits for all employers in a joint
28 account will be calculated together. All benefit payments chargeable against
29 all employers in a joint account will be calculated together. The average
30 annual payroll of the joint account will be the average of the annual
31 payrolls of all employers participating in the account.

32 (10) If any individual, type of organization, or employing unit
33 succeeds to the business of an employer participating in a joint account
34 under conditions which would require the transfer of any separate account of
35 that employer to the successor, the successor shall be ipso facto a member of
36 the joint account.

1 (11)(A) Withdrawal from a joint account by any participating
2 employer may be approved if the request for withdrawal is made in writing to
3 the ~~department~~ division on or before September 30 of the year prior to the
4 year for which the withdrawal is to be effective.

5 (B) The withdrawing employer shall as of the effective
6 date of withdrawal be treated in all respects as a newly liable employer
7 regardless of all prior contributions or benefit payment experience.

8 (C) The remaining employer or employers shall continue to
9 constitute the joint account. The withdrawal or termination of all except one
10 (1) member shall not dissolve such joint account unless and until such last
11 member shall withdraw or terminate.

12 (12) Participation in a joint account shall not affect the right
13 of any employer to terminate the employer's liability, but after termination,
14 the employer shall in all respects be treated as a withdrawing employer under
15 this section.

16
17 SECTION 59. Arkansas Code § 11-10-209(10), concerning the definition
18 of "employer" under the Department of Workforce Services Law, is amended to
19 read as follows:

20 (10) For the purposes of subdivisions (1) and (3) of this
21 section, employment shall include service that would constitute employment
22 but for the fact that the service is deemed to be performed entirely within
23 another state pursuant to an election under an arrangement entered into, in
24 accordance with § 11-10-544(a), by the Director of the ~~Department~~ Division of
25 Workforce Services and any agency charged with the administration of any
26 other state or federal unemployment compensation law.

27
28 SECTION 60. Arkansas Code § 11-10-210(d), concerning the definition of
29 "employment" under the Department of Workforce Services Law, is amended to
30 read as follows:

31 (d) Service covered by an election pursuant to § 11-10-403 and service
32 covered by an election duly approved by the Director of the ~~Department~~
33 Division of Workforce Services in accordance with an arrangement pursuant to
34 § 11-10-544 shall be deemed to be employment during the effective period of
35 the election.

36

1 SECTION 61. Arkansas Code § 11-10-214(b), concerning the definition of
2 "unemployment" under the Department of Workforce Services Law, is amended to
3 read as follows:

4 (b) An individual's week of unemployment shall be deemed to commence
5 the day on which he or she registers at a local employment office, except as
6 the Director of the ~~Department~~ Division of Workforce Services may, by
7 regulation, otherwise prescribe.

8
9 SECTION 62. Arkansas Code § 11-10-215(a)(1), concerning the definition
10 of "wages" under the Department of Workforce Services Law, is amended to read
11 as follows:

12 (a)(1) As used in this chapter, "wages" means all remuneration paid
13 for personal services, including without limitation, commissions, bonuses,
14 cash value of all remuneration paid in any medium other than cash, the value
15 of which shall be estimated and determined in accordance with regulations
16 prescribed by the Director of the ~~Department~~ Division of Workforce Services,
17 and tips received while performing services which constitute employment and
18 which are included in a written statement furnished to the employer pursuant
19 to 26 U.S.C. § 6053(a).

20
21 SECTION 63. Arkansas Code § 11-10-227(f)(2)(A), concerning the
22 treatment of Indian tribes under the Department of Workforce Services Law, is
23 amended to read as follows:

24 (2)(A) Failure of the Indian tribe or any tribal unit thereof to
25 make required payments, including assessments of interest and penalty, after
26 all collection activities deemed necessary by the Director of the ~~Department~~
27 Division of Workforce Services have been exhausted shall cause services
28 performed for the tribe to not be treated as "employment" for purposes of
29 subsection (b) of this section.

30
31 SECTION 64. Arkansas Code § 11-10-301(a), concerning the creation of
32 the Department of Workforce Services and the appointment of the Director of
33 the Department of Workforce Services, is amended to read as follows:

34 (a)(1) There is created a ~~Department~~ division to be known as the
35 ~~Department~~ "Division of Workforce Services" that shall be administered by a
36 full-time salaried director who shall be appointed by and serve at the

1 pleasure of the Governor, and shall report to the Secretary of the Department
2 of Commerce.

3 (2) The Director of the ~~Department~~ Division of Workforce
4 Services shall have resided in the state for at least five (5) years and
5 shall be a qualified elector.

6
7 SECTION 65. Arkansas Code § 11-10-301(d), concerning the duties of the
8 Director of the Department of Workforce Services, is amended to read as
9 follows:

10 (d) The director shall be the agent for service of process for all
11 legal actions arising under this chapter or to which the ~~department~~ division
12 shall be named a party.

13
14 SECTION 66. Arkansas Code § 11-10-303 is amended to read as follows:

15 11-10-303. ~~Department~~ Division of Workforce Services – Employee
16 insurance plans.

17 (a) The Director of the ~~Department~~ Division of Workforce Services is
18 authorized to formulate, adopt, and administer plans to provide the regular
19 employees of the ~~Department~~ Division of Workforce Services, as an incident of
20 their employment, with group life insurance or insurance against the payment
21 of medical and hospital expenses or any similar type of insurance.

22 (b) Any plan adopted shall be paid pursuant to the contract entered
23 into with one (1) or more insurance companies authorized to do business in
24 this state, and it may require the payment of all or any part of the premium
25 by the ~~Department of Workforce Services~~ division or by the employees.

26 (c) If any plan adopted requires contributions by the employees, the
27 director may provide for the withholding of the amount of the employees'
28 contribution from their salaries. However, the contributing share of funds
29 paid by the ~~Department of Workforce Services~~ division as the employer shall
30 come from funds granted to the agency by the United States Department of
31 Labor for such purposes.

32 (d) The plan may provide for the continuation of any insurance
33 provided on the same or on a different basis upon termination of employment
34 or after the retirement of any employee who retires after March 3, 1971,
35 pursuant to the Arkansas Public Employees' Retirement System.

36 (e) Any plan adopted shall provide benefits similar to those made

1 available by the federal government to its employees generally, and the cost
2 thereof per employee shall not exceed the cost per employee that the federal
3 government pays for similar insurance benefits.

4 (f) Participation by any employee of the ~~Department of Workforce~~
5 ~~Services~~ division in any plan adopted shall be on a voluntary basis at the
6 option of the employee.

7
8 SECTION 67. Arkansas Code § 11-10-304(a)-(c), concerning the creation
9 of the Arkansas State Employment Service, are amended to read as follows:

10 (a) The Arkansas State Employment Service is established ~~in~~ within the
11 ~~Department~~ Division of Workforce Services.

12 (b) The Director of the ~~Department~~ Division of Workforce Services, in
13 the conduct of the service, shall establish and maintain free public
14 employment offices in such numbers and in such places as may be necessary for
15 the proper administration of this chapter and for the purpose of performing
16 such functions as are within the purview of the Act of Congress of June 6,
17 1933, hereinafter referred to as the "Wagner-Peyser Act".

18 (c) The provisions of that act of Congress are accepted by this state,
19 and the ~~department~~ division is designated and constituted the agency of this
20 state for the purposes of that act.

21
22 SECTION 68. Arkansas Code § 11-10-304(f), concerning the creation of
23 the Arkansas State Employment Service, is amended to read as follows:

24 (f) In addition to the services and activities otherwise authorized by
25 this chapter, the ~~department~~ division may perform, or contract for the
26 performance of, such other services and activities as shall be specified in
27 contracts for payment or reimbursement of the costs thereof made with the
28 United States Secretary of Labor, with any federal, state, or local public
29 agency, or administrative entity, or with any employer or private for-profit
30 or nonprofit organization under, in accordance with, and in furtherance of
31 the purposes of the Job Training Partnership Act, Pub. L. No. 97-300
32 [repealed].

33
34 SECTION 69. Arkansas Code § 11-10-306(a), concerning the Director of
35 the Department of Workforce Services, is amended to read as follows:

36 (a) It shall be the duty of the Director of the ~~Department~~ Division of

1 Workforce Services to administer this chapter.

2
3 SECTION 70. Arkansas Code § 11-10-306(g)(1), concerning the Director
4 of the Department of Workforce Services, is amended to read as follows:

5 (g)(1) The director, in addition to other provisions of this chapter,
6 is authorized to set up and maintain ~~in~~ within the ~~Department~~ Division of
7 Workforce Services a unit known as the enforcement unit.

8
9 SECTION 71. Arkansas Code § 11-10-307(a)(1), concerning the rule-
10 making authority of the Director of the Department of Workforce Services, is
11 amended to read as follows:

12 (a)(1) General and special rules may be adopted, amended, or rescinded
13 by the Director of the ~~Department~~ Division of Workforce Services only after
14 public hearing or opportunity to be heard thereon, on which proper notice has
15 been given.

16
17 SECTION 72. Arkansas Code § 11-10-308(a), concerning the Director of
18 the Department of Workforce Services and the administrative determinations of
19 coverage, is amended to read as follows:

20 (a) The Director of the ~~Department~~ Division of Workforce Services may,
21 upon his or her own motion or upon application of an employing unit, after
22 notice and opportunity for hearing, make findings of fact and, on the basis
23 thereof, determinations with respect to whether an employing unit constitutes
24 an employer and whether services performed for or in connection with the
25 business of an employing unit constitute employment for that employing unit.

26
27 SECTION 73. Arkansas Code § 11-10-309 is amended to read as follows:

28 11-10-309. Director – Publication of rules, reports, etc.

29 The Director of the ~~Department~~ Division of Workforce Services shall
30 make available for distribution to the public the text of this chapter, his
31 or her regulations and general and special rules, his or her annual report to
32 the Governor, and any other material he or she deems relevant and suitable
33 and shall furnish the materials to any person upon application therefor.

34
35 SECTION 74. Arkansas Code § 11-10-310(a), concerning personnel and the
36 Director of the Department of Workforce Services, is amended to read as

1 follows:

2 (a) Subject to other provisions of this chapter, the Director of the
3 ~~Department~~ Division of Workforce Services is authorized to appoint, fix the
4 compensation, and prescribe the duties and powers of such officers,
5 accountants, attorneys, experts, and other persons as may be necessary in the
6 performance of his or her duties under this chapter.

7

8 SECTION 75. Arkansas Code § 11-10-311 is amended to read as follows:
9 11-10-311. Employment stabilization.

10 The Director of the ~~Department~~ Division of Workforce Services shall
11 take all appropriate steps to reduce and prevent unemployment, to encourage
12 and assist in the adoption of practical methods of vocational training,
13 retraining, and vocational guidance, to investigate, recommend, advise, and
14 assist in the establishment and operation by municipalities, counties,
15 planning districts, school districts, and the state of programs for public
16 works to be used in times and places of economic downturn and high
17 unemployment for the purpose of promoting the employment of unemployed and
18 underemployed workers throughout the state, and to these ends, to carry on
19 research and such investigations as he or she shall deem necessary and to
20 publish the results thereof.

21

22 SECTION 76. Arkansas Code § 11-10-312(a), concerning the cooperation
23 between the Director of the Department of Workforce Services and the United
24 States Department of Labor, is amended to read as follows:

25 (a) In the administration of this chapter, the Director of the
26 ~~Department~~ Division of Workforce Services shall cooperate with the United
27 States Department of Labor to the fullest extent consistent with the
28 provisions of this chapter and shall take such action, through the adoption
29 of such appropriate rules, regulations, administrative methods, and standards
30 as may be necessary to secure to this state and its citizens all advantages
31 available under the provisions of the Social Security Act that relate to
32 unemployment compensation, the Federal Unemployment Tax Act, the Wagner-
33 Peysner Act, the Job Training Partnership Act [repealed], and the Federal-
34 State Extended Unemployment Compensation Act of 1970.

35

36 SECTION 77. The introductory language of Arkansas Code § 11-10-313(a),

1 concerning compensation based on multiple-state earnings, is amended to read
2 as follows:

3 (a) The Director of the ~~Department~~ Division of Workforce Services
4 shall participate in any arrangements for the payment of compensation on the
5 basis of combining an individual's wages and employment covered under this
6 chapter with his or her wages and employment covered under the unemployment
7 compensation laws of other states which are approved by the United States
8 Secretary of Labor in consultation with the state unemployment compensation
9 agencies as reasonably calculated to assure the prompt and full payment of
10 compensation in those situations and which include provisions for:

11
12 SECTION 78. Arkansas Code § 11-10-314(a), concerning the disclosure of
13 information under the Department of Workforce Services Law, is amended to
14 read as follows:

15 (a)(1) Except as otherwise provided in this section, information
16 obtained by the Director of the ~~Department~~ Division of Workforce Services
17 from any employing unit or individual pursuant to the administration of this
18 chapter and any determination as to the rights or status of any employer or
19 individual made by the director pursuant to the administration of this
20 chapter shall be held confidential and shall be protected by government
21 privilege.

22 (2)(A) The information shall not be used in any action or
23 proceeding before any court, administrative tribunal, or body except those
24 created by this chapter unless the ~~Department~~ Division of Workforce Services
25 is a party, a real party in interest, or a complainant therein or unless the
26 litigation involves criminal actions brought under provisions of this
27 chapter.

28 (B) This information shall not be otherwise disclosed or
29 be open to public inspection in any manner revealing the individual's or
30 employing unit's identity.

31
32 SECTION 79. Arkansas Code § 11-10-314(b)(1), concerning the inspection
33 and copying of records, and disclosure of information under the Department of
34 Workforce Services Law, is amended to read as follows:

35 (b)(1) Information from the records of the ~~Department~~ Division of
36 Workforce Services that concerns a claim for benefits shall be available for

1 inspection and copying by any interested party or his or her legal
2 representative to the extent necessary for the proper representation of his
3 or her position in any proceeding under this chapter.

4
5 SECTION 80. Arkansas Code § 11-10-314(b)(2)(B), concerning the
6 provision of information to the parties, and disclosure of information under
7 the Department of Workforce Services Law, is amended to read as follows:

8 (B) Any individual or employer may be provided any
9 information from the records of the ~~Department~~ Division of Workforce Services
10 to the extent that the information was provided by him or her; and

11
12 SECTION 81. Arkansas Code § 11-10-314(e)(1), concerning the furnishing
13 of information to other entities, and the disclosure of information under the
14 Department of Workforce Services Law, is amended to read as follows:

15 (e)(1)(A) Upon request of a public agency administering or supervising
16 the administration of a state plan of ~~Aid to Families with Dependent Children~~
17 Temporary Assistance for Needy Families approved under Part A of Title IV of
18 the Social Security Act, or the administration of a state plan of medical
19 assistance approved under Title XIX of the Social Security Act, the
20 administration of a state plan of food stamps approved under the Food Stamp
21 Act of 1977, Pub. L. No. 95-113, request of a public agency charged with any
22 duty or responsibility authorized or required under the Child Support and
23 Establishment of Paternity Program provisions of Part D of Title IV of the
24 Social Security Act, or request of officers or employees of the United States
25 Department of Agriculture, the director shall furnish to the public agency
26 information contained in the files of the ~~Department~~ Division of Workforce
27 Services with respect to any individual specified in the request as to
28 whether the individual is receiving, has received, or has made application
29 for unemployment compensation, the date the individual was determined
30 eligible or ineligible, the date the individual's claim was exhausted, the
31 weekly benefit amount actually paid and the date paid, the individual's
32 weekly benefit amount, whether the individual is receiving or has received
33 wages, the name and address of the employer from whom the wages have been
34 received and the amount of any wages received by the individual, the current
35 or most recent home address of the individual, whether the individual has
36 refused an offer of employment, and, if so, a description of the employment

1 so offered, including, but not limited to, the terms, conditions, and rate of
2 pay therefor.

3 (B) The requesting agency shall reimburse the ~~Department~~
4 Division of Workforce Services for costs incurred in providing the requested
5 information.

6
7 SECTION 82. Arkansas Code § 11-10-314(e)(3) and (4), concerning the
8 release of wage information to other state agencies, and the disclosure of
9 information under the Department of Workforce Services Law, are amended to
10 read as follows:

11 (3) Information requested by the Department of Human Services
12 and the Department of Finance and Administration under this subsection shall
13 be released to the appropriate divisions of the respective departments on a
14 basis in accordance with a plan to be developed between the appropriate
15 division of each department and the ~~Department~~ Division of Workforce
16 Services.

17 (4)(A) In addition to the above, wage information contained in
18 the records of the ~~Department~~ Division of Workforce Services shall be made
19 available to the extent necessary for purposes of determining an individual's
20 eligibility for aid or services or the amount of the aid or services to which
21 an individual may be entitled under a state plan for aid and services to
22 needy families with children approved under Part A of Title IV of the Social
23 Security Act to a state or political subdivision thereof charged with the
24 responsibility of making the determinations when the information is
25 specifically requested on an individual by name and Social Security number by
26 the state or political subdivision for those purposes.

27 (B) The governmental agency or entity requesting any
28 information under this subsection shall reimburse the ~~Department~~ Division of
29 Workforce Services for any and all costs incurred by the agency in making the
30 requested information available.

31
32 SECTION 83. Arkansas Code § 11-10-314(e)(5)(B), concerning the
33 disclosure of information to federal entities under the Department of
34 Workforce Services Law, is amended to read as follows:

35 (B) The requesting agency shall reimburse the ~~Department~~
36 Division of Workforce Services for the costs incurred in providing the

1 requested information.

2

3 SECTION 84. Arkansas Code § 11-10-314(f)(1)(A), concerning the
4 examination of records by the parties, and the disclosure of information
5 under the Department of Workforce Services Law, is amended to read as
6 follows:

7 (f)(1)(A)(i) All records, files, and documents of the ~~Department~~
8 Division of Workforce Services pertaining to claims, benefit payments,
9 assessments, contributions, disqualifications for benefits, removals of
10 disqualifications for benefits, charges and credits to accounts, and
11 classification of employers, wherever located, which relate in any way to an
12 employer or an employee of the employer shall be made available at all times
13 for examination by an affected employer, a claimant, or the duly authorized
14 representative of an employer or a claimant.

15 (ii) But no record, file, or document shall be
16 removed from the custody of the ~~Department~~ Division of Workforce Services.

17

18 SECTION 85. Arkansas Code § 11-10-314(f)(2), concerning the
19 application of res judicata to findings of the Department of Workforce
20 Services, and the disclosure of information under the Department of Workforce
21 Services Law, is amended to read as follows:

22 (2) No finding of fact or conclusion of law contained in a
23 decision of the ~~Department~~ Division of Workforce Services, an appeals hearing
24 officer, the Board of Review, or a court obtained under this chapter shall
25 have a preclusive effect in any other action or proceeding except proceedings
26 under this chapter.

27

28 SECTION 86. Arkansas Code § 11-10-314(h), concerning the disclosure of
29 information pursuant to federal law and under the Department of Workforce
30 Services Law, is amended to read as follows:

31 (h)(1) Notwithstanding any other provisions of this chapter,
32 information obtained in the administration of this chapter and in the
33 administration of and concerning programs under the Workforce Innovation and
34 Opportunity Act, Pub. L. No. 113-128, programs by the ~~Department~~ Division of
35 Workforce Services shall be made available to persons and agencies for
36 purposes appropriate to the ~~Department~~ Division of Workforce Services'

1 operation and administration of programs under the Workforce Innovation and
2 Opportunity Act, Pub. L. No. 113-128.

3 (2) Under an agreement between the ~~Department~~ Division of
4 Workforce Services and the appropriate agencies, the director shall establish
5 safeguards as are necessary to protect the confidential information made
6 available pursuant to this section.

7
8 SECTION 87. Arkansas Code § 11-10-314(i)(1)(B), concerning documents
9 received into evidence and the disclosure of information under the Department
10 of Workforce Services Law, is amended to read as follows:

11 (B) Photocopies of ~~Department~~ Division of Workforce
12 Services records containing the information shall be received in evidence in
13 any court or administrative proceeding had under the law provided that the
14 copies have been sealed with the official seal of the director.

15
16 SECTION 88. Arkansas Code § 11-10-314(j)(5)(B), concerning the
17 disclosure of information to the Arkansas Department of Transportation under
18 the Department of Workforce Services Law, is amended to read as follows:

19 (B) Other information that is necessary for the effective
20 operation of their respective programs in order to allow cooperation between
21 the Arkansas Department of Transportation and the ~~Department~~ Division of
22 Workforce Services; and

23
24 SECTION 89. Arkansas Code § 11-10-314(k)(3) and (4), concerning
25 restrictions on the re-disclosure of information under the Department of
26 Workforce Services Law, are amended to read as follows:

27 (3) The governmental agency or entity requesting any information
28 under subsection (j) of this section shall reimburse the ~~Department~~ Division
29 of Workforce Services for any and all costs incurred by the agency in making
30 the requested information available.

31 (4) Information requested by the state entities specified in
32 subsection (j) of this section shall be released to the appropriate entities
33 in accordance with agreements between these entities and the ~~Department~~
34 Division of Workforce Services.

35
36 SECTION 90. Arkansas Code § 11-10-314(1), concerning the use of wage

1 statements in calculating child support obligations and the disclosure of
2 information under the Department of Workforce Services Law, is amended to
3 read as follows:

4 (1)(1) Upon receipt of an order from a court of record of this state
5 by the director for information pertaining to an individual's current wage
6 file and unemployment benefit payment record as contained in the records of
7 the ~~Department~~ Division of Workforce Services, the information shall be made
8 available to the court for the purpose of determining an amount of support to
9 be set during a proceeding for the establishment or collection of child
10 support obligations, or both.

11 (2) A photocopy of the records containing the information or a
12 statement that no information for the requested individual is contained in
13 the file of the ~~Department~~ Division of Workforce Services under the official
14 seal of the director shall be received into evidence in the court of record.

15 (3) The court order shall be satisfied by mailing the document
16 under seal directly to the court of record within ten (10) working days of
17 receipt of the court order unless a motion challenging the information is
18 filed or a subpoena is issued requiring the appearance of an employee of the
19 ~~Department~~ Division of Workforce Services with the court within thirty (30)
20 days prior to the trial.

21 (4) The director shall comply with the court order for
22 information if the following conditions are met:

23 (A) The order is delivered at least ten (10) workdays
24 prior to the date that the information is required;

25 (B) The court order includes the name and Social Security
26 number of the individual for whom information is requested; and

27 (C) The court order is accompanied by the payment of ten
28 dollars (\$10.00) by the moving party seeking the information to the
29 ~~Department~~ Division of Workforce Services for costs associated with producing
30 the information.

31 (5) Provided, however, the ~~Department~~ Division of Workforce
32 Services may not release information under this subsection if the United
33 States Secretary of Labor rules that release of the information would be
34 grounds to find that the state is in substantial noncompliance with 42 U.S.C.
35 § 503 or 26 U.S.C. § 3304.

36

1 SECTION 91. Arkansas Code § 11-10-314(m)(2), concerning restrictions
 2 on the disclosure of information under the Department of Workforce Services
 3 Law, is amended to read as follows:

4 (2) The State Insurance Department shall be strictly prohibited
 5 from making any disclosure or redisclosure of any record containing
 6 confidential information provided by the ~~Department~~ Division of Workforce
 7 Services under this subsection.

8
 9 SECTION 92. Arkansas Code § 11-10-314(n)(1), concerning the disclosure
 10 of information to the Workers' Compensation Commission under the Department
 11 of Workforce Services Law, is amended to read as follows:

12 (n)(1) ~~Beginning on and after January 1, 1995, the~~ The Workers' Health
 13 and Safety Division of the Workers' Compensation Commission may be furnished,
 14 for production of the extra-hazardous employer identification formula, the
 15 following data to the extent that such data is maintained in the ~~department's~~
 16 Division of Workforce Services' computer database:

- 17 (A) Employer name;
- 18 (B) Federal employer identification number;
- 19 (C) Employer address and plant locations in Arkansas;
- 20 (D) Employer telephone number;
- 21 (E) Employer standard industrial classification code;
- 22 (F) Maximum number of employees by calendar year;
- 23 (G) Unemployment insurance account number; and
- 24 (H) Reporting unit number.

25 (2)(A) The Workers' Health and Safety Division shall be strictly
 26 prohibited from making any disclosure or redisclosure of the confidential
 27 information which may be made available to it under this subsection.

28 (B) Additionally, the Workers' Health and Safety Division
 29 shall reimburse the ~~Department~~ Division of Workforce Services for any and all
 30 costs incurred by the ~~Department~~ Division of Workforce Services in making the
 31 information available.

32
 33 SECTION 93. Arkansas Code § 11-10-314(o)(3), concerning compliance
 34 with federal law and the disclosure of information under the Department of
 35 Workforce Services Law, is amended to read as follows:

36 (3) Information requested pursuant to Pub. L. No. 104-193 shall

1 only be released in accordance with an agreement between the ~~Department~~
2 Division of Workforce Services and the appropriate state or federal agency.
3 Safeguards protecting the confidentiality of such data and reimbursement of
4 costs for providing such information will be made part of the agreement.
5

6 SECTION 94. Arkansas Code § 11-10-314(q), concerning the disclosure of
7 information to the State Insurance Department under the Department of
8 Workforce Services Law, is amended to read as follows:

9 (q) The Workers' Compensation Fraud Investigation Unit of the State
10 Insurance Department may be furnished pursuant to a subpoena any individual's
11 wage file and unemployment benefit payment record as contained in the records
12 of the ~~Department~~ Division of Workforce Services. These records are being
13 provided for the sole purpose of investigating potential workers'
14 compensation fraud. The unit is strictly prohibited from making any
15 disclosure or redisclosure of the confidential information which may be made
16 available to it under the provisions of this subsection. However, records
17 provided to the unit pursuant to this subsection may be made part of a unit's
18 referral for criminal charges to a local prosecutor under § 11-9-106(d)(3)
19 and used in any resulting criminal trial or prosecution, including cases
20 tried by employees of the unit under the provisions of § 11-9-106(e)(2).
21 Reasonable costs may be required for producing the subpoenaed information.
22

23 SECTION 95. Arkansas Code § 11-10-314(r)(1)-(3), concerning the
24 disclosure of information for law enforcement purposes under the Department
25 of Workforce Services Law, are amended to read as follows:

26 (r)(1) The director, pursuant to a valid subpoena issued by a state
27 prosecuting attorney, the Attorney General, a United States Attorney, a
28 United States Magistrate Judge, or the Federal Bureau of Investigation, may
29 release information in the possession of the ~~Department~~ Division of Workforce
30 Services to law enforcement officials who seek unemployment information for
31 the investigation or prosecution of a crime or to enforce an order of a court
32 in a criminal matter.

33 (2) Nothing in this section shall be deemed to prohibit the
34 ~~Department~~ Division of Workforce Services from providing information
35 subpoenaed by the Attorney General in any case.

36 (3)(A) The director may release information in the possession of

1 the ~~Department~~ Division of Workforce Services to federal public officials in
2 the performance of their official duties acting through the United States
3 Attorney's office.

4 (B) The information will be disclosed under an information
5 exchange agreement with the United States Attorney's office, which will
6 ensure the protection of the confidentiality of the information and the cost
7 of providing the information.

8
9 SECTION 96. Arkansas Code § 11-10-314(r)(4)(B), concerning the
10 obligation to comply with subpoenas and the disclosure of information under
11 the Department of Workforce Services Law, is amended to read as follows:

12 (B) Honor the subpoena and subpoenas dealing with similar
13 subject matter, but only if a court of competent jurisdiction finds that the
14 need to examine the subpoenaed information outweighs the express policy of
15 maintaining confidentiality in matters involving individuals and employers
16 dealing with the ~~Department~~ Division of Workforce Services.

17
18 SECTION 97. Arkansas Code § 11-10-315 is amended to read as follows:
19 11-10-315. Authority to administer oaths, issue subpoenas, etc.

20 In the discharge of the duties imposed by this chapter, the Director of
21 the ~~Department~~ Division of Workforce Services, the chair of an appeal
22 tribunal, the members of the Board of Review, and any duly authorized
23 representative of any of them shall have power to administer oaths and
24 affirmations, take depositions, certify to official acts, and issue subpoenas
25 to compel the attendance of witnesses and the production of books, papers,
26 correspondence, memoranda, and other records deemed necessary as evidence in
27 connection with disputed claims or the administration of this chapter.

28
29 SECTION 98. Arkansas Code § 11-10-316(a), concerning the refusal to
30 obey a subpoena, is amended to read as follows:

31 (a) In case of contumacy by or refusal to obey a subpoena issued to
32 any person, any court of this state within the jurisdiction of which the
33 inquiry is carried on or within the jurisdiction of which the person guilty
34 of contumacy or refusal to obey is found or resides or transacts business,
35 upon application by the Director of the ~~Department~~ Division of Workforce
36 Services, the Board of Review, the chair of an appeal tribunal, or any duly

1 authorized representative of any of them shall have jurisdiction to issue to
2 the person an order requiring the person to appear before the director, the
3 board, the chair of an appeal tribunal, or any duly authorized representative
4 of any of them, there to produce evidence if so ordered or there to give
5 testimony touching the matter under investigation or in question, and any
6 failure to obey the order of the court may be punished by the court as a
7 contempt thereof.

8
9 SECTION 99. Arkansas Code § 11-10-317(a), concerning the protection
10 against self-incrimination, is amended to read as follows:

11 (a) No person shall be excused from attending and testifying or from
12 producing books, papers, correspondence, memoranda, and other records before
13 the Director of the ~~Department~~ Division of Workforce Services, the Board of
14 Review, the chair of an appeal tribunal, or any duly authorized
15 representative of any of them or in obedience to the subpoena of any of them
16 in any cause or proceeding before the director, the board, or an appeal
17 tribunal on the ground that the testimony or evidence, documentary or
18 otherwise, required of him or her may tend to incriminate him or her or
19 subject him or her to a penalty or forfeiture.

20
21 SECTION 100. Arkansas Code § 11-10-318(a)(1), concerning the
22 responsibilities of the employing unit, is amended to read as follows:

23 (a)(1) Each employing unit shall keep true and accurate work records,
24 for such periods of time and containing such information as the Director of
25 the ~~Department~~ Division of Workforce Services may prescribe.

26
27 SECTION 101. Arkansas Code § 11-10-319(a), concerning representation
28 in court of the Department of Workforce Services, is amended to read as
29 follows:

30 (a) Civil Actions. In any civil action to enforce the provisions of
31 this chapter, the Director of the ~~Department~~ Division of Workforce Services,
32 the Board of Review, and the state may be represented by any qualified
33 attorney who is employed by the director and is designated by him or her for
34 this purpose or at the director's request by the Attorney General.

35
36 SECTION 102. Arkansas Code § 11-10-320(b), concerning the creation of

1 the Employment Security Administration Fund, is amended to read as follows:

2 (b) All money deposited or paid into this fund shall be continuously
3 available to the Director of the ~~Department~~ Division of Workforce Services
4 for expenditure in accordance with the provisions of this chapter and shall
5 not lapse at any time or be transferred to any other fund.

6
7 SECTION 103. Arkansas Code § 11-10-321(b), concerning disbursement
8 from the Employment Security Administration Fund, is amended to read as
9 follows:

10 (b) Disbursements shall be paid out of the fund on requisitions drawn
11 by the Director of the ~~Department~~ Division of Workforce Services under
12 regulations of the director.

13
14 SECTION 104. Arkansas Code § 11-10-322(b), concerning reimbursement of
15 the Employment Security Administration Fund, is amended to read as follows:

16 (b) Upon receipt of such a finding by the United States Secretary of
17 Labor, the Director of the ~~Department~~ Division of Workforce Services shall
18 promptly report the amount required for the replacement to the Governor, and
19 the Governor shall, at the earliest opportunity, submit to the General
20 Assembly a request for the appropriation of that amount.

21
22 SECTION 105. Arkansas Code § 11-10-402 is amended to read as follows:
23 11-10-402. Termination.

24 Except as otherwise provided in § 11-10-403, an employing unit may
25 cease to be an employer subject to this chapter in accordance with the
26 regulations of the Director of the ~~Department~~ Division of Workforce Services.

27
28 SECTION 106. Arkansas Code § 11-10-403(a)(1), concerning a written
29 election from an employing unit, is amended to read as follows:

30 (a)(1) An employing unit, not otherwise subject to this chapter, which
31 filed with the Director of the ~~Department~~ Division of Workforce Services its
32 written election to become an employer subject hereto for not less than two
33 (2) calendar years shall, with the written approval of the election by the
34 director, become an employer subject hereto to the same extent as all other
35 employers, as of the date stated in the approval.

36

1 SECTION 107. Arkansas Code § 11-10-404(a)(1)(B), concerning nonprofit
2 employers, is amended to read as follows:

3 (B) Election is to be made by filing with the Director of
4 the ~~Department~~ Division of Workforce Services a notice of the election at
5 least thirty (30) days prior to the effective date of the election.
6

7 SECTION 108. Arkansas Code § 11-10-501(b), concerning payments from
8 the Unemployment Compensation Fund, is amended to read as follows:

9 (b) All benefits shall be paid through ~~Department~~ Division of
10 Workforce Services offices, in accordance with such regulations as the
11 Director of the ~~Department~~ Division of Workforce Services may prescribe.
12

13 SECTION 109. Arkansas Code § 11-10-502(e), concerning the weekly
14 benefit amount for unemployment payments, is amended to read as follows:

15 (e) On June 1 of each year, the Director of the ~~Department~~ Division of
16 Workforce Services shall determine the average weekly wage for insured
17 employment for the preceding calendar year in the following manner:

18 (1) The sum of the total monthly employment reported for the
19 calendar year shall be divided by twelve (12) to determine the average
20 monthly employment;

21 (2) The sum of the total wages reported for the previous
22 calendar year shall be divided by the average monthly employment to determine
23 the average annual wage; and

24 (3) The average annual wage shall be divided by fifty-two (52)
25 to determine the average weekly wage for insured employment.
26

27 SECTION 110. Arkansas Code § 11-10-505(a)(2)(B), concerning the
28 failure of a base-period employer to respond, is amended to read as follows:

29 (B) The Director of the ~~Department~~ Division of Workforce
30 Services may accept the statement given by the claimant as his or her reason
31 for separation from the base-period employer and may base his or her
32 determination on the statement given by the claimant.
33

34 SECTION 111. Arkansas Code § 11-10-505(c), concerning the failure of a
35 base-period employer to respond, is amended to read as follows:

36 (c) ~~On or before January 1, 2012, the~~ The director shall make

1 available on the website of the ~~Department~~ Division of Workforce Services a
2 program that will allow employers the option to receive and respond to notice
3 under this section.

4
5 SECTION 112. Arkansas Code § 11-10-506(a)(2)(A), concerning seasonal
6 employment and benefit rights, is amended to read as follows:

7 (2)~~(A)~~ After a study of previous employment records, and after
8 investigation and hearing, the Director of the ~~Department~~ Division of
9 Workforce Services shall determine the normal seasonal period or periods
10 during which workers are ordinarily employed for the purpose of carrying on
11 seasonal operations in each seasonal industry. Until the determination by the
12 director, no industry shall be deemed to be seasonal. The director may
13 initiate a study of an industry upon his or her own motion or upon a request
14 filed with the director by any employing unit or person that would be
15 affected by any determination made as a result of such a study. If a study is
16 made, it shall be mandatory for the director to make his or her determination
17 and report thereon within ninety (90) days after written application for the
18 determination has been filed. If the director initiates the study of an
19 industry upon his or her own motion and finds that the industry meets the
20 seasonal requirements set forth in this section, he or she shall make his or
21 her determination and report within ninety (90) days after the study is
22 initiated. In either event, the industry shall be classified as a seasonal
23 industry effective on the January 1 immediately following the date of the
24 director's determination. Provided that, any employer who is classified as a
25 seasonal employer under these provisions may make a written request to the
26 director asking not to be treated as a seasonal employer. If the request is
27 approved, treatment as a seasonal employer will cease effective January 1 of
28 the following calendar year.

29
30 SECTION 113. The introductory language of Arkansas Code § 11-10-507,
31 concerning the registration and reporting required for eligibility for
32 benefits, is amended to read as follows:

33 An insured worker shall be eligible to receive benefits with respect to
34 any week only if the Director of the ~~Department~~ Division of Workforce
35 Services finds that:

1 SECTION 114. Arkansas Code § 11-10-507(2), concerning the registration
2 and reporting required for eligibility for benefits, is amended to read as
3 follows:

4 (2) Registration and Reporting. He or she has registered for
5 work at and thereafter continued to report to a ~~Department~~ Division of
6 Workforce Services office in accordance with such regulations as the director
7 may prescribe. The director, by regulation, may waive or alter either or both
8 of the requirements of this subdivision (2) as to individuals attached to
9 regular jobs and as to such other types of cases or situations with respect
10 to which he or she finds that compliance with these requirements would be
11 oppressive or would be inconsistent with the purpose of this chapter.
12 However, no such regulations shall conflict with § 11-10-501;

13
14 SECTION 115. Arkansas Code § 11-10-507(3)(E), concerning registration
15 by employees who will be recalled by the employer, and the registration and
16 reporting required for eligibility for benefits, is amended to read as
17 follows:

18 (E) An individual on short-term layoff who expects to be
19 recalled by his or her employer to a full-time job and whose employer intends
20 to recall the individual to a full-time job within ten (10) weeks after the
21 initial date of his or her layoff shall not be required during the layoff to
22 register for work at a ~~department~~ division office or to seek other work.

23
24 SECTION 116. Arkansas Code § 11-10-508(a), concerning the eligibility
25 for benefits in a labor dispute, is amended to read as follows:

26 (a) If so found by the Director of the ~~Department~~ Division of
27 Workforce Services, no individual may serve a waiting period or be paid
28 benefits for the duration of any period of unemployment if he or she lost his
29 or her employment or has left his or her employment by reason of a labor
30 dispute other than a lockout at the factory, establishment, or other premises
31 at which he or she was employed, regardless of whether or not the labor
32 dispute causes any reduction or cessation of operations at the factory,
33 establishment, or other premises of the employer, as long as the labor
34 dispute continues, and thereafter for such reasonable period of time, if any,
35 as may be necessary for that factory, establishment, or other premises to
36 resume normal operation.

1
2 SECTION 117. Arkansas Code § 11-10-513(a)(1), concerning
3 disqualification for voluntarily leaving work, is amended to read as follows:

4 (a)(1) If so found by the Director of the ~~Department~~ Division of
5 Workforce Services, an individual shall be disqualified for benefits if he or
6 she voluntarily and without good cause connected with the work left his or
7 her last work.

8
9 SECTION 118. Arkansas Code § 11-10-514(a)(1), concerning
10 disqualification and discharge for misconduct, is amended to read as follows:

11 (a)(1) If so found by the Director of the ~~Department~~ Division of
12 Workforce Services, an individual shall be disqualified for benefits if he or
13 she is discharged from his or her last work for misconduct in connection with
14 the work.

15
16 SECTION 119. Arkansas Code § 11-10-515(a)(1)(A), concerning
17 disqualification for failure or refusal to apply for or accept suitable work,
18 is amended to read as follows:

19 (a)(1)(A) If so found by the Director of the ~~Department~~ Division of
20 Workforce Services, an individual shall be disqualified for benefits if he or
21 she has failed without good cause:

22 (i) To apply for available suitable work when so
23 directed by a ~~Department~~ Division of Workforce Services office; or

24 (ii) To accept suitable work when offered.

25
26 SECTION 120. Arkansas Code § 11-10-516(a), concerning the
27 disqualification for refusal to report after a layoff, is amended to read as
28 follows:

29 (a)(1) If so found by the Director of the ~~Department~~ Division of
30 Workforce Services, an individual shall be disqualified for benefits if while
31 on a layoff of ten (10) weeks or less, he or she refuses to report for work
32 within one (1) week after notice of recall to the same job or to a suitable
33 job similar to the one from which he or she was laid off, or if while
34 unemployed, he or she voluntarily removes his or her name from a recall list
35 set forth in a written contract of a base-period employer, provided that the
36 employer files a written notice of the refusal of recall or removal from a

1 recall list with the ~~Department~~ Division of Workforce Services within seven
2 (7) days of the occurrence.

3 (2) The disqualification shall begin on the date of receipt of
4 the written notice of refusal of recall or removal from the recall list by
5 the ~~department~~ division and shall continue until, subsequent to filing his or
6 her claim, he or she has had at least thirty (30) days of employment covered
7 by an unemployment compensation law of this state, or another state, or of
8 the United States.

9
10 SECTION 121. The introductory language to Arkansas Code § 11-10-517,
11 concerning the disqualification for the receipt of other remunerations, is
12 amended to read as follows:

13 If so found by the Director of the ~~Department~~ Division of Workforce
14 Services, an individual shall be disqualified for benefits for any week with
15 respect to which he or she receives or has received remuneration in the form
16 of:

17
18 SECTION 122. Arkansas Code § 11-10-517(1)(B)(ii)(b), concerning the
19 allocation of benefits and the disqualification for the receipt of other
20 remunerations, is amended to read as follows:

21 (b) If the employer does not specify the
22 number of weeks under subdivision (1)(B)(ii)(a) of this section, the
23 ~~Department~~ Division of Workforce Services shall allocate the separation pay
24 using the claimant's average weekly wage;

25
26 SECTION 123. The introductory language of Arkansas Code § 11-10-
27 519(a), concerning the penalty of disqualification for a false statement or
28 misrepresentation, is amended to read as follows:

29 (a) If so found by the Director of the ~~Department~~ Division of
30 Workforce Services, an individual shall be disqualified for benefits:

31
32 SECTION 124. Arkansas Code § 11-10-519(b), concerning the penalty of
33 disqualification for a false statement or misrepresentation, is amended to
34 read as follows:

35 (b) Upon request of the Legislative Council, the ~~Department~~ Division
36 of Workforce Services shall provide reports regarding unemployment insurance

1 claim fraud and its efforts to prevent the fraud.

2
3 SECTION 125. Arkansas Code § 11-10-520(a), concerning claims and the
4 posting of information by an employer, is amended to read as follows:

5 (a) Each employer shall post and maintain, in places readily
6 accessible to individuals in the employer's employ, printed statements
7 concerning benefit rights, claims for benefits, and such other matters
8 relating to the administration of this chapter as the Director of the
9 ~~Department~~ Division of Workforce Services may by regulation prescribe.

10
11 SECTION 126. Arkansas Code § 11-10-521(a), concerning claims, filings,
12 and the notice to the last employer, is amended to read as follows:

13 (a) Claims for benefits shall be made in accordance with regulations
14 the Director of the ~~Department~~ Division of Workforce Services prescribes.

15
16 SECTION 127. Arkansas Code § 11-10-521(c), concerning claims, filings,
17 and the notice to the last employer, is amended to read as follows:

18 (c) On or before January 1, 2012, the director shall make available on
19 the website of the ~~Department~~ Division of Workforce Services a program that
20 will allow employers the option to receive and respond to notice under this
21 section.

22
23 SECTION 128. Arkansas Code § 11-10-522(a)(1)(A), concerning the
24 determination of a claim, is amended to read as follows:

25 (1)(A) A monetary determination upon a claim filed pursuant to §
26 11-10-521(a) shall be made promptly by the Director of the ~~Department~~
27 Division of Workforce Services and shall include total wage credits as
28 reported paid by each employer during the claimant's base period and the
29 identity of each base-period employer.

30
31 SECTION 129. Arkansas Code § 11-10-523(f), concerning the payment of
32 expenses for the Board of Review, is amended to read as follows:

33 (f) The chair, the members, and the examiner and reporter, as provided
34 for above, shall all receive their actual and necessary expenses incurred, in
35 accordance with the regulations of the ~~Department~~ Division of Workforce
36 Services.

1
2 SECTION 130. Arkansas Code § 11-10-523(g)(2)(C), concerning facilities
3 for the Board of Review, is amended to read as follows:

4 (C) The Director of the ~~Department~~ Division of Workforce
5 Services shall provide the board and appeal tribunals with proper facilities
6 and assistance for the execution of their functions.
7

8 SECTION 131. Arkansas Code § 11-10-524(a), concerning appeals from the
9 decisions of the Board of Review, is amended to read as follows:

10 (a)(1) The claimant, the Director of the ~~Department~~ Division of
11 Workforce Services, or any other party entitled to notice may appeal a
12 determination made by the agency by filing a written notice of appeal with
13 the appeal tribunal or at any office of the ~~Department~~ Division of Workforce
14 Services within twenty (20) calendar days after the date of mailing the
15 notice to his or her last known address, or if the notice is not mailed,
16 within twenty (20) calendar days after the date of delivery of the notice. If
17 mailed, an appeal shall be considered to have been filed as of the date of
18 the postmark on the envelope.

19 (2) However, if it is determined by the appeal tribunal or the
20 Board of Review ~~of the department~~ that the appeal is not perfected within the
21 twenty-calendar-day period as a result of circumstances beyond the
22 appellant's control, the appeal may be considered as having been filed
23 timely.
24

25 SECTION 132. Arkansas Code § 11-10-526(a)(2), concerning the
26 procedures adopted by the Board of Review, is amended to read as follows:

27 (2) In like manner as provided at § 11-10-307(a) for the
28 adopting, amending, or rescinding of general rules by the Director of the
29 ~~Department~~ Division of Workforce Services, the board may adopt reasonable
30 regulations governing the manner of filing appeals, the conduct of hearings,
31 and other appellate procedures, consistent with this chapter.
32

33 SECTION 133. Arkansas Code § 11-10-527(a), concerning the claims and
34 conclusiveness of determinations and decisions by the Board of Review, is
35 amended to read as follows:

36 (a) Except insofar as reconsideration of any determination is had

1 under the provisions of § 11-10-522, any right, fact, or matter in issue,
2 directly passed upon or necessarily involved in a determination or
3 redetermination that has become final, or in a decision on appeal under §§
4 11-10-523 – 11-10-530 that has become final, shall be conclusive for all the
5 purposes of this chapter as between the Director of the ~~Department~~ Division
6 of Workforce Services, the claimant, and all employing units who had notice
7 of the determination, redetermination, or decision.

8
9 SECTION 134. Arkansas Code § 11-10-528(a), concerning the finality of
10 decisions of the Board of Review, is amended to read as follows:

11 (a) The final decisions of the Board of Review or of an appeal
12 tribunal, and the principles of law declared by it in arriving at the
13 decisions, unless expressly or impliedly overruled by a later decision of the
14 board or by a court of competent jurisdiction, shall be binding upon the
15 Director of the ~~Department~~ Division of Workforce Services and any examiner or
16 appeal tribunal in subsequent proceedings which involve similar questions of
17 law.

18
19 SECTION 135. Arkansas Code § 11-10-529(a)(2)(B), concerning petitions
20 for review, claims, and judicial review of decisions of the Board of Review,
21 is amended to read as follows:

22 (B) The Director of the ~~Department~~ Division of Workforce
23 Services is made a party to the proceedings.

24
25 SECTION 136. Arkansas Code § 11-10-530(a), concerning claims,
26 representation, and administrative appeals regarding a claim for benefits,
27 is amended to read as follows:

28 (a) The Director of the ~~Department~~ Division of Workforce Services
29 shall be a party entitled to notice in any proceeding involving a claim for
30 benefits before a special examiner, an appeal tribunal, or the Board of
31 Review.

32
33 SECTION 137. Arkansas Code § 11-10-532(a)(1), concerning claims,
34 recovery, and repayment to the Unemployment Compensation Fund, is amended to
35 read as follows:

36 (a)(1) If the Director of the ~~Department~~ Division of Workforce

1 Services finds that a person knowingly has made a false statement or
2 misrepresentation of a material fact or knowingly has failed to disclose a
3 material fact and as a result of either action has received benefits under
4 this chapter to which he or she was not entitled, then he or she is liable to
5 repay the amount to the Unemployment Compensation Fund, or the director may
6 recover the amount of the overpayment by deductions from any future benefits
7 payable to the person under this chapter.

8
9 SECTION 138. Arkansas Code § 11-10-532(d)(4), concerning claims,
10 recovery, and repayment to the Unemployment Compensation Fund, is amended to
11 read as follows:

12 (4) An interest payment recovered from an overpayment to a
13 claimant shall be deposited into the ~~Department~~ Division of Workforce
14 Services Special Fund.

15
16 SECTION 139. Arkansas Code § 11-10-532(f), concerning decisions by the
17 Department of Workforce Services, claims, recovery, and repayment to the
18 Unemployment Compensation Fund, is amended to read as follows:

19 (f) The ~~Department~~ Division of Workforce Services may issue an
20 overpayment determination contemporaneously with any other determination.

21
22 SECTION 140. Arkansas Code § 11-10-533(a), concerning the
23 investigation of claims filed by state employees, is amended to read as
24 follows:

25 (a) The ~~Department~~ Division of Workforce Services shall investigate
26 all claims for benefits filed by state employees whether or not the employing
27 state agency lodges a protest to the payment of the benefits.

28
29 SECTION 141. Arkansas Code § 11-10-534(8)(A), concerning the
30 definition of "rate of insured unemployment" under the laws governing
31 unemployment benefits, is amended to read as follows:

32 (A) The average weekly number of individuals filing claims
33 for regular benefits in this state for weeks of unemployment with respect to
34 the most recent thirteen (13) consecutive week period, as determined by the
35 Director of the ~~Department~~ Division of Workforce Services on the basis of his
36 or her reports to the United States Secretary of Labor; by

1
2 SECTION 142. Arkansas Code § 11-10-535 is amended to read as follows:

3 11-10-535. Extended benefits – Effect of provisions relating to
4 regular benefits.

5 Except when the result would be inconsistent with the other provisions
6 of this section, as provided in the regulations of the Director of the
7 ~~Department~~ Division of Workforce Services, the provisions of this chapter
8 which apply to claims for, or the payment of, regular benefits shall apply to
9 claims for, and the payment of, extended benefits.

10
11 SECTION 143. The introductory language of Arkansas Code § 11-10-536,
12 concerning edibility for extended benefits, is amended to read as follows:

13 An individual shall be eligible to receive extended benefits with
14 respect to any week of unemployment in his or her eligibility period only if
15 the Director of the ~~Department~~ Division of Workforce Services finds that with
16 respect to that week:

17
18 SECTION 144. Arkansas Code § 11-10-539(a), concerning extended
19 benefits, periods, and computations, is amended to read as follows:

20 (a) Whenever an extended benefit period is to become effective in this
21 state as a result of a state “on” indicator or an extended benefit period is
22 to be terminated in this state as a result of a state “off” indicator, the
23 Director of the ~~Department~~ Division of Workforce Services shall have
24 published an appropriate notice in newspapers of general circulation in the
25 state.

26
27 SECTION 145. Arkansas Code § 11-10-541 is amended to read as follows:

28 11-10-541. Extended benefits – Overpayments.

29 The Director of the ~~Department~~ Division of Workforce Services shall
30 establish and recover extended benefit overpayments in the manner prescribed
31 in § 11-10-532.

32
33 SECTION 146. The introductory language of Arkansas Code § 11-10-
34 543(a), concerning the failure to accept or seek suitable work and extended
35 benefits, is amended to read as follows:

36 (a) Notwithstanding the provisions of § 11-10-535, an individual shall

1 be ineligible for payment of extended benefits for any week of unemployment
2 in his or her eligibility period if the Director of the ~~Department~~ Division
3 of Workforce Services finds that during that period:

4
5 SECTION 147. Arkansas Code § 11-10-543(i) and (j), concerning the
6 failure to accept or seek suitable work and extended benefits, are amended to
7 read as follows:

8 (i) The ~~Department~~ Division of Workforce Services shall enforce this
9 section.

10 (j) The director shall make quarterly reports to the Legislative
11 Council on the ~~department's~~ division's efforts to enforce this section,
12 including without limitation:

13 (1) The number of cases of benefit recipients accused of not
14 accepting valid job offers;

15 (2) The disposition of cases reported under subdivision (j)(1)
16 of this section; and

17 (3) The policies and steps the ~~department~~ division is taking to
18 eliminate and reduce refusals to accept valid job offers.

19
20 SECTION 148. Arkansas Code § 11-10-543(k), concerning electronic
21 reporting and the failure to accept or seek suitable work and extended
22 benefits, is amended to read as follows:

23 (k)(1) The ~~department~~ division shall facilitate electronic reporting
24 of a benefit recipient who refuses to take an offered job either through
25 outright refusal, failing a drug test, or other means.

26 (2) The ~~department~~ division may facilitate electronic reporting
27 under subdivision (k)(1) of this section by an easy-to-understand and -use
28 website created for the purpose or created for another purpose that
29 facilitates easy reporting by potential employers and others.

30
31 SECTION 149. Arkansas Code § 11-10-543(1), concerning the failure to
32 accept or seek suitable work and extended benefits, is amended to read as
33 follows:

34 (1)(1) The ~~department~~ division shall notify periodically an employer
35 regarding the method for reporting a benefit recipient who fails to take a
36 job either through outright refusal, failing a drug test, or other means.

1 (2) The ~~department~~ division may notify an employer at least two
2 times (2) per year regarding the method for reporting under subdivision
3 (1)(1) of this section by electronic means that are economically feasible and
4 may be a part of another communication to the employer.

5
6 SECTION 150. The introductory language of Arkansas Code § 11-10-
7 544(a), concerning reciprocal arrangements with state and federal agencies,
8 is amended to read as follows:

9 (a) The Director of the ~~Department~~ Division of Workforce Services is
10 authorized to enter into reciprocal arrangements with appropriate and duly
11 authorized agencies of other states or of the federal government, or both,
12 whereby:

13
14 SECTION 151. Arkansas Code § 11-10-601(2), concerning the definition
15 of "approved plan" under the law regarding shared work plans, is amended to
16 read as follows:

17 (2) "Approved plan" means an employer's voluntary written plan
18 for reducing unemployment under which a specified group of employees shares
19 the work remaining after their normal weekly hours of work are reduced, which
20 plan meets the requirements of § 11-10-604, and which plan has been approved
21 in writing by the Director of the ~~Department~~ Division of Workforce Services;

22
23 SECTION 152. Arkansas Code § 11-10-604(a), concerning the criteria for
24 approval to participate in a shared work plan, is amended to read as follows:

25 (a) An employer wishing to participate in a shared work program shall
26 submit a signed written shared work compensation plan to the Director of the
27 ~~Department~~ Division of Workforce Services for approval.

28
29 SECTION 153. Arkansas Code § 11-10-605(a), concerning the approval or
30 rejection of a shared work plan, is amended to read as follows:

31 (a) The Director of the ~~Department~~ Division of Workforce Services
32 shall approve or reject a plan in writing within thirty (30) days of its
33 receipt.

34
35 SECTION 154. Arkansas Code § 11-10-606(a), concerning the effective
36 date and duration of a shared work plan, is amended to read as follows:

1 (a) A plan shall be effective on the date specified in the plan or on
2 a date mutually agreed upon by the employer and the Director of the
3 ~~Department~~ Division of Workforce Services but no earlier than the date of
4 approval of the plan by the director.

5
6 SECTION 155. Arkansas Code § 11-10-607(a)(1), concerning the
7 revocation of approval for a shared work plan, is amended to read as follows:

8 (a)(1) The Director of the ~~Department~~ Division of Workforce Services
9 may revoke approval of a plan for good cause.

10
11 SECTION 156. Arkansas Code § 11-10-608(a), concerning the modification
12 of an approved shared work plan, is amended to read as follows:

13 (a) An operational, approved, shared work plan may be modified by the
14 employer with the acquiescence of employee representatives if the
15 modification is not substantial and is in conformity with the plan approved
16 by the Director of the ~~Department~~ Division of Workforce Services, but the
17 modifications must be reported promptly to the director.

18
19 SECTION 157. The introductory language of Arkansas Code § 11-10-
20 609(a), concerning the eligibility for compensation under a shared work plan,
21 is amended to read as follows:

22 (a) An individual is eligible to receive shared work unemployment
23 compensation benefits with respect to any week only if, in addition to
24 monetary entitlement, the Director of the ~~Department~~ Division of Workforce
25 Services finds that:

26
27 SECTION 158. Arkansas Code § 11-10-610(d), concerning filing of claims
28 for shared work unemployment compensation, is amended to read as follows:

29 (d) Claims for shared work unemployment compensation benefits shall be
30 filed in the same manner as claims for unemployment compensation or as
31 prescribed in regulations by the Director of the ~~Department~~ Division of
32 Workforce Services.

33
34 SECTION 159. Arkansas Code § 11-10-701(a)(2), concerning the accrual
35 and payment by an employer of contributions,, is amended to read as follows:

36 (2) The contributions shall become due and be paid by each

1 employer to the Director of the ~~Department~~ Division of Workforce Services for
2 the Unemployment Compensation Fund in accordance with such regulations as the
3 director may prescribe and shall not be deducted, in whole or in part, from
4 the wages of individuals in employment for the employer.

5
6 SECTION 160. Arkansas Code § 11-10-703(a)(1)(A), concerning the
7 maintenance of separate accounts, is amended to read as follows:

8 (a)(1)(A) The Director of the ~~Department~~ Division of Workforce
9 Services shall maintain a separate account for each employer and shall credit
10 the employer's account with all the contributions paid on the employer's own
11 behalf except as otherwise provided in §§ 11-10-701 – 11-10-715.

12
13 SECTION 161. Arkansas Code § 11-10-703(a)(6)(A), concerning the
14 repayment of an overpayment to a claimant, is amended to read as follows:

15 (A) An overpayment of benefits is the result of a failure
16 by an employer or the employer's agent to respond timely or adequately to a
17 request for information from the ~~Department~~ Division of Workforce Services;
18 and

19
20 SECTION 162. Arkansas Code § 11-10-704(a), concerning the fixing of
21 contribution rates, future rates, and experience rates, is amended to read as
22 follows:

23 (a) The Director of the ~~Department~~ Division of Workforce Services
24 shall, for each calendar year, classify employers in accordance with their
25 actual experience in the payment of contributions on their own behalf and
26 with respect to regular benefits charged against their accounts, with a view
27 to fixing the contribution rates as will reflect their experience.

28
29 SECTION 163. Arkansas Code § 11-10-705(c)(1)(B), concerning the annual
30 notices provided to employers, is amended to read as follows:

31 (B) The Director of the ~~Department~~ Division of Workforce
32 Services shall provide to each eligible employer an annual notice of
33 voluntary payment amounts that may be submitted to reduce the employer's
34 contribution rate.

35
36 SECTION 164. Arkansas Code § 11-10-706(f), concerning future rates and

1 the stabilization tax, is amended to read as follows:

2 (f)(1)(A) However, the proceeds of the stabilization tax in the amount
3 of two and one-half hundredths of one percent (0.025%) of taxable wages
4 collected during the period July 1, 2007, through June 30, 2019, shall be
5 deposited and credited to the ~~Department~~ Division of Workforce Services
6 Training Trust Fund, there to be used for worker training.

7 (B) The total amount deposited into the ~~Department~~
8 Division of Workforce Services Training Trust Fund in any one (1) fiscal year
9 shall not exceed two million five hundred thousand dollars (\$2,500,000).

10 (2)(A) However, the proceeds of the stabilization tax in the
11 amount of two and one-half hundredths of one percent (0.025%) of taxable
12 wages collected during the period July 1, 2007, through June 30, 2019, shall
13 be deposited and credited to the ~~Department~~ Division of Workforce Services
14 Unemployment Insurance Administration Fund, there to be used for personal
15 services and operating expenses of the unemployment insurance program
16 necessary for the proper administration of the ~~Department~~ Division of
17 Workforce Services Law, § 11-10-101 et seq., as determined by the Director of
18 the ~~Department~~ Division of Workforce Services.

19 (B)(i) The total amount deposited into the ~~Department~~
20 Division of Workforce Services Unemployment Insurance Administration Fund in
21 any one (1) fiscal year shall not exceed two million five hundred thousand
22 dollars (\$2,500,000).

23 (ii) If the amount deposited into the ~~Department~~
24 Division of Workforce Services Unemployment Insurance Administration Fund
25 under subdivision (f)(2)(B)(i) of this section is not sufficient to meet the
26 administrative needs under the ~~Department~~ Division of Workforce Services Law,
27 § 11-10-101 et seq., the ~~Department~~ Division of Workforce Services may
28 deposit up to an additional three million five hundred thousand dollars
29 (\$3,500,000) in any one (1) fiscal year to the ~~Department~~ Division of
30 Workforce Services Unemployment Insurance Administration Fund upon approval
31 by the Chief Fiscal Officer of the State.

32 (3) The director shall report to the Legislative Council on a
33 quarterly basis as to any and all uses of the ~~Department~~ Division of
34 Workforce Services Training Trust Fund and the ~~Department~~ Division of
35 Workforce Services Unemployment Insurance Administration Fund.

36

1 SECTION 165. Arkansas Code § 11-10-707(a)(2)(B), concerning the timing
2 and manner of voluntary elections made by an employer, is amended to read as
3 follows:

4 (B) A voluntary election by an employer shall be made at
5 the time and in the manner prescribed by regulations of the Director of the
6 ~~Department~~ Division of Workforce Services.

7
8 SECTION 166. Arkansas Code § 11-10-708(b)(4), concerning advance
9 interest tax and future rates, is amended to read as follows:

10 (4) All withdrawals shall be upon voucher warrants issued, or
11 caused to be issued, by the Director of the ~~Department~~ Division of Workforce
12 Services as authorized by legislative appropriation and, except as otherwise
13 provided herein, shall be used only for the purpose of:

14 (A) Paying interest incurred by the state on advances
15 obtained from the federal Unemployment Trust Fund under Title XII of the
16 Social Security Act;

17 (B) Making refunds of the aforementioned advance interest
18 tax and interest and penalty payments attributed to the advance interest tax
19 which were erroneously paid; and

20 (C) Returning moneys to the Unemployment Compensation Fund
21 Clearing Account that may have been incorrectly identified and erroneously
22 transferred to the Employment Security Advance Interest Trust Fund in the
23 State Treasury.

24
25 SECTION 167. Arkansas Code § 11-10-708(c)(2), concerning advance
26 interest tax and future rates, is repealed.

27 ~~(2) Notwithstanding any other provision of this section, all~~
28 ~~income from investment of the Employment Security Advance Interest Trust Fund~~
29 ~~earned during calendar years 1995 and 1996 shall be deposited and credited to~~
30 ~~the Department of Workforce Services Special Fund, § 19-5-984, as set out in~~
31 ~~§ 11-10-716.~~

32
33 SECTION 168. Arkansas Code § 11-10-710(a)(2), concerning the transfer
34 of experience, is amended to read as follows:

35 (2) The separate account of the predecessor employer shall be
36 transferred by the Director of the ~~Department~~ Division of Workforce Services

1 to the successor employing unit and, as of the date of the acquisition, shall
2 become the separate account or part of the separate account, as the case may
3 be, of the successor employing unit, and the regular benefits thereafter
4 chargeable to the predecessor employer on account of employment prior to the
5 date of the acquisition shall be charged to the separate account of the
6 successor employing unit.

7
8 SECTION 169. Arkansas Code § 11-10-711(a), concerning the temporary
9 closing of a business because of an absence in the armed forces, is amended
10 to read as follows:

11 (a) Notwithstanding any inconsistent provisions of this chapter, if
12 the Director of the ~~Department~~ Division of Workforce Services finds that an
13 employer's business was closed solely because of the entrance of one (1) or
14 more of the owners, officers, partners, or the majority stockholder into the
15 armed forces of the United States or any of its allies, or of the United
16 Nations after December 31, 1949, the employer's account shall, for experience
17 rating purposes, not be considered as terminated. If the business is resumed
18 by the employer within one (1) year after the discharge or release of the
19 person from active duty in the armed forces, the employer's experience shall
20 be deemed to have been continuous through the closed period.

21
22 SECTION 170. Arkansas Code § 11-10-712(a), concerning an employer
23 ceasing to pay wages, is amended to read as follows:

24 (a) Whenever an employer has paid no wages for a period of twelve (12)
25 consecutive calendar quarters following the latest calendar quarter that the
26 employer paid wages in employment, the Director of the ~~Department~~ Division of
27 Workforce Services shall terminate the employer's experience rating account
28 and shall destroy the records of the account.

29
30 SECTION 171. Arkansas Code § 11-10-713(c)(1), concerning the employees
31 of nonprofit organizations and governmental entities, is amended to read as
32 follows:

33 (c)(1) Any nonprofit organization or government employing unit which,
34 pursuant to § 11-10-210(a)(2) or (a)(3), is subject to this chapter shall pay
35 contributions under § 11-10-701 unless it elects, in accordance with this
36 subsection, to pay to the Director of the ~~Department~~ Division of Workforce

1 Services for the Unemployment Compensation Fund an amount equal to the amount
2 of regular benefits and, to the extent that the fund is not reimbursed for
3 the extended benefits in accordance with Section 204 of the Federal-State
4 Extended Unemployment Compensation Act of 1970, the extended benefits paid,
5 based on wages paid by the employer to individuals for weeks of unemployment
6 that begin during the effective period of the election.

7
8 SECTION 172. Arkansas Code § 11-10-713(d)(6)(A), concerning
9 overpayments to employees of nonprofit organizations and governmental
10 entities, is amended to read as follows:

11 (A) An overpayment of benefits is the result of a failure
12 by an employer or the employer's agent to respond timely or adequately to a
13 request for information from the ~~Department~~ Division of Workforce Services;
14 and

15
16 SECTION 173. Arkansas Code § 11-10-713(e)(1)(C), concerning payments
17 in lieu of contributions, is amended to read as follows:

18 (C) The ~~Department~~ Division of Workforce Services shall
19 bill and the Chief Fiscal Officer of the State shall promptly reimburse the
20 ~~department~~ division for such benefit payments in accordance with subsection
21 (d) of this section; and

22
23 SECTION 174. Arkansas Code § 11-10-716(a)(1), concerning the
24 collection of interest on past due contributions, is amended to read as
25 follows:

26 (a)(1) If contributions are not paid on the date on which they are due
27 and payable as prescribed by the Director of the ~~Department~~ Division of
28 Workforce Services, the whole or part thereafter remaining unpaid shall bear
29 interest at the rate of one and one-half percent (1.5%) per month from and
30 after the due date until payment is received by the director.

31
32 SECTION 175. Arkansas Code § 11-10-716(b)(1)(A), concerning the
33 transfer of interest and penalty payments on past due contributions, is
34 amended to read as follows:

35 (b)(1)(A) At the end of each month, deposits in the Unemployment
36 Compensation Fund Clearing Account which have been established as interest

1 and penalty payments collected pursuant to §§ 11-10-716 – 11-10-723 shall be
2 paid over to the Treasurer of State and credited by him or her to the
3 ~~Department~~ Division of Workforce Services Special Fund, § 19-5-984, created
4 and established in the State Treasury.

5
6 SECTION 176. Arkansas Code § 11-10-716(b)(1)(B)(iii), concerning the
7 allowable purposes for withdrawals, and the collection of interest on past
8 due contributions, is amended to read as follows:

9 (iii) Such other and additional purposes necessary
10 to the proper administration of this chapter as specifically provided in the
11 appropriation for the ~~Department~~ Division of Workforce Services.

12
13 SECTION 177. Arkansas Code § 11-10-717(a)(1)(A), concerning the
14 collection, failure to pay or report, and penalties, is amended to read as
15 follows:

16 (a)(1)(A) If, after due notice, any employer defaults in any payment
17 of contributions or interest thereon, the amount due may be collected by
18 civil action in the name of the Director of the ~~Department~~ Division of
19 Workforce Services.

20
21 SECTION 178. Arkansas Code § 11-10-717(c)(1)(B), concerning the
22 authority of the Department of Workfore Services to collect moneys owed, and
23 the failure to pay or report and penalties, is amended to read as follows:

24 (B) The director is empowered to effect collection of
25 unemployment contributions, penalties, interest, benefit overpayments, court
26 costs, and reasonable attorney's fees due the ~~Department~~ Division of
27 Workforce Services in any jurisdiction that extends such comity.

28
29 SECTION 179. Arkansas Code § 11-10-718(b)(1)(B), concerning collection
30 and priorities under legal dissolutions or distributions, is amended to read
31 as follows:

32 (B)(i) The proceedings for enforcing the lien herein
33 provided for shall be brought in the name of the Director of the ~~Department~~
34 Division of Workforce Services.

35 (ii) All liens issued under this chapter by the
36 Director of the ~~Department~~ Division of Labor shall remain in full force and

1 effect and shall be fully enforceable by the Director of the ~~Department~~
2 Division of Workforce Services.

3
4 SECTION 180. Arkansas Code § 11-10-718(b)(3), concerning the validity
5 of liens, collection, and priorities under legal dissolutions or
6 distributions, is amended to read as follows:

7 (3) The lien shall not be valid against any mortgagee, pledgee,
8 purchaser, or judgment creditor until the certificate of assessment provided
9 for in § 11-10-720 has been filed with the clerk of the circuit court of the
10 county wherein the employer domiciles or has a place of business, or suit has
11 been filed by the Director of the ~~Department~~ Division of Workforce Services
12 in a court of competent jurisdiction under § 11-10-717.

13
14 SECTION 181. Arkansas Code § 11-10-718(c), concerning the release of
15 liens, collection, and priorities under legal dissolutions or distributions,
16 is amended to read as follows:

17 (c)(1) Upon written application by any person, the Director of the
18 ~~Department~~ Division of Workforce Services or his or her designee may release
19 from a lien any property or part of the property subject to the lien
20 described in subdivision (b)(1) of this section, provided that:

21 (A) The Director of the ~~Department~~ Division of Workforce
22 Services or his or her designee determines at any time that the interest of
23 the ~~Department~~ Division of Workforce Services has no value; or

24 (B) The Director of the ~~Department~~ Division of Workforce
25 Services or his or her designee determines that the lien is clouding the
26 title of the property because of an error in the description of properties or
27 similarity in names.

28 (2) In determining the value of the interest of the ~~department~~
29 division in the property to be released, the Director of the ~~Department~~
30 Division of Workforce Services or his or her designee shall give
31 consideration to the value of the property and to the liens thereon having
32 priority over the lien of the ~~department~~ division.

33
34 SECTION 182. Arkansas Code § 11-10-719(a) and (b), concerning
35 collection and refunds, are amended to read as follows:

36 (a)(1) If not later than three (3) years after the date of payment of

1 any amount as a contribution, interest, or penalty pursuant to this chapter,
2 any employer who has made such a payment makes application for an adjustment
3 thereof in connection with a subsequent contribution, interest, or penalty
4 payment, or for a refund because the adjustment cannot be made, and the
5 Director of the ~~Department~~ Division of Workforce Services determines that
6 payment of the contribution, interest, or penalty, or any portion thereof,
7 was erroneous, the director may allow the employer to make an adjustment of
8 the amount erroneously paid, without interest, in connection with subsequent
9 contribution, interest, or penalty payments by the employer.

10 (2) If the adjustment cannot be made, the director may refund,
11 without interest, from the Unemployment Compensation Fund or from the
12 ~~Department~~ Division of Workforce Services Special Fund, as applicable, the
13 amount erroneously paid.

14 (b) However, the director shall not allow any adjustment in connection
15 with subsequent contributions for amounts of interest or penalty payments
16 collected on or after July 1, 1965, nor shall he or she refund any payment
17 from the Unemployment Compensation Fund or any account of the Unemployment
18 Compensation Fund, except that he or she may refund any payment from the
19 interest and penalties collected after that date which are in the clearing
20 account pending transfer to the ~~Department~~ Division of Workforce Services
21 Special Fund.

22
23 SECTION 183. Arkansas Code § 11-10-720(a)(1), concerning collection
24 and a certificate of assessment, is amended to read as follows:

25 (a)(1) If any person, firm, or corporation shall become delinquent in
26 the payment of any contribution, interest, or penalties required to be paid
27 by this chapter, it shall be the duty of the Director of the ~~Department~~
28 Division of Workforce Services, when the amount of the contribution,
29 interest, and penalties is determined, either by the report of the employer
30 or by such investigations as the director may have made, to assess the
31 contributions, interest, and penalties so determined against the delinquent
32 employer and to certify the amount of the contributions, interest, and
33 penalties and mail or otherwise deliver a copy of the assessment to the
34 delinquent employer.

35
36 SECTION 184. Arkansas Code § 11-10-720(a)(3), concerning the execution

1 of a certificate of assessment, is amended to read as follows:

2 (3) Execution shall be issuable, at the request of the director,
3 his or her agent or attorney, or any other employee of the ~~Department~~
4 Division of Workforce Services, forthwith by the clerk of the circuit court,
5 directed to the sheriff, who shall make a levy on any property, assets, or
6 effects of the employer against whom the contribution is assessed.

7
8 SECTION 185. Arkansas Code § 11-10-721(b), concerning the collection
9 and limitation of assessment, is amended to read as follows:

10 (b) In the case of a false or fraudulent return with intent to evade
11 tax or a failure to file reports required by this chapter or by the Director
12 of the ~~Department~~ Division of Workforce Services pursuant to the provisions
13 of this chapter, the tax may be assessed or a proceeding in court for the
14 collection of the tax may be begun at any time.

15
16 SECTION 186. Arkansas Code § 11-10-722(a) and (b), concerning the
17 collection and impoundment of deposits of an employer owing delinquent
18 contributions, are amended to read as follows:

19 (a) The Director of the ~~Department~~ Division of Workforce Services or
20 his or her designated representative may give notice of impoundment of any
21 deposits in any bank or savings and loan institution payable to the order of
22 any employer owing any delinquent contributions, interest, and penalties to
23 which a lien has attached under this chapter. Notice of impoundment shall be
24 served by the director or his or her designated representative by certified
25 mail to the bank or savings and loan institution or by written notice served
26 personally upon its president, vice president, cashier, or assistant cashier.

27 (b) Any bank or savings and loan institution served with notice of
28 impoundment shall be required to recognize the ~~Department~~ Division of
29 Workforce Services' lien on any deposit subject thereto by withholding
30 payment of any deposit in an amount not to exceed the amount of the
31 delinquent contributions, interest, and penalty to the depositor or to his or
32 her order for a period not to exceed sixty (60) days.

33
34 SECTION 187. Arkansas Code § 11-10-723(a)(2), concerning special rules
35 regarding transfers of experience and assignment of rates, is amended to read
36 as follows:

1 (2) If following a transfer of experience under subdivision
2 (a)(1) of this section or transfer of experience as otherwise provided in
3 this chapter involving only a portion of a trade or business, the Director of
4 the ~~Department~~ Division of Workforce Services determines that a substantial
5 purpose of the transfer was to obtain a reduced liability for contributions,
6 then the experience rating accounts of the employers involved shall be
7 combined into a single account and a single rate assigned to such an account
8 effective the first day of the calendar quarter following the date of
9 transfer.

10
11 SECTION 188. Arkansas Code § 11-10-723(c)(1), concerning penalties for
12 violations, and special rules regarding transfers of experience and
13 assignment of rates, is amended to read as follows:

14 (c)(1) Knowing violations or attempted violations of subsection (a) or
15 (b) of this section or any other provision of this subchapter related to
16 determining the assignment of a contribution rate shall result in an
17 additional two-percent rate increase for the rate year during which the
18 violation or attempted violation occurred and a two-percent additional rate
19 increase in each of the following three (3) rate years. In addition to the
20 rate increases, a penalty of ten percent (10%) of total taxes due shall also
21 be assessed in each of these rate years. All penalty amounts shall be
22 deposited and credited to the ~~Department~~ Division of Workforce Services
23 Special Fund as set out in § 11-10-716. The additional tax and penalty
24 required by this subsection shall not be credited to the separate account of
25 any employer, nor shall any employer whose contribution rate has been
26 affected by this subsection be eligible to make a voluntary payment pursuant
27 to § 11-10-705(c).

28
29 SECTION 189. Arkansas Code § 11-10-801(a), concerning the
30 establishment and control of the Unemployment Compensation Fund, is amended
31 to read as follows:

32 (a) There is established as a special fund, separate and apart from
33 all public moneys or funds of this state, the Unemployment Compensation Fund,
34 which shall be administered by the Director of the ~~Department~~ Division of
35 Workforce Services exclusively for the purposes of this chapter.

36

1 SECTION 190. Arkansas Code § 11-10-802(a)(1), concerning the accounts
2 and deposits for the Unemployment Compensation Fund, is amended to read as
3 follows:

4 (a)(1) The Director of the ~~Department~~ Division of Workforce Services
5 shall be ex officio treasurer and custodian of the Unemployment Compensation
6 Fund and disbursing officer of the ~~Department~~ Division of Workforce Services.

7 (2) The director shall administer the Unemployment Compensation
8 Fund and shall maintain within the Unemployment Compensation Fund three (3)
9 separate accounts:

10 (A) A clearing account;

11 (B) An Unemployment Compensation Trust Fund Account; and

12 (C) A benefit account.
13

14 SECTION 191. Arkansas Code § 11-10-803(a)(1), concerning withdrawals
15 from the federal Unemployment Trust Fund, is amended to read as follows:

16 (a)(1) Money requisitioned from this state's account in the federal
17 Unemployment Trust Fund shall be used exclusively for the payment of benefits
18 and for refunds from the Unemployment Trust Fund authorized by this chapter,
19 except that money credited to this state's account pursuant to § 903 of the
20 Social Security Act shall be used exclusively as provided in this section.
21 The Director of the ~~Department~~ Division of Workforce Services shall, from
22 time to time, requisition from the federal Unemployment Trust Fund such
23 amounts not exceeding the amounts standing to this state's account therein as
24 he or she deems necessary for the payment of benefits and refunds for a
25 reasonable future period. Upon receipt thereof, the money shall be deposited
26 in the benefit account.
27

28 SECTION 192. Arkansas Code § 11-10-804(b)(1), concerning the
29 termination of the federal Unemployment Trust Fund, is amended to read as
30 follows:

31 (b)(1) If and when the federal Unemployment Trust Fund ceases to
32 exist, or such separate book account is no longer maintained, all moneys,
33 properties, and securities belonging to the Unemployment Compensation Fund of
34 this state shall be administered by the Director of the ~~Department~~ Division
35 of Workforce Services as a trust fund for the purpose of paying benefits
36 under this chapter.

1
2 SECTION 193. Arkansas Code § 11-10-901(a)(1), concerning the creation,
3 administration, and authority of the Director of the Department of Workforce
4 Services, is amended to read as follows:

5 (a)(1) The Director of the ~~Department~~ Division of Workforce Services
6 is assigned responsibility for the administration of the State New Hire
7 Registry.

8
9 SECTION 194. The introductory language of Arkansas Code § 11-10-
10 902(b)(2), concerning reporting requirements, obligations, confidentiality,
11 and enforcement of child support obligations, is amended to read as follows:

12 (2) An employer shall report electronically or in any manner
13 authorized by the ~~Department~~ Division of Workforce Services for inclusion in
14 the State New Hire Registry whenever an employee:

15
16 SECTION 195. Arkansas Code § 11-10-902(c)(1), concerning reporting
17 requirements, obligations, confidentiality, and enforcement of child support
18 obligations and the New Hire Registry database, is amended to read as
19 follows:

20 (c)(1) Information reported pursuant to this section shall be entered
21 into the State New Hire Registry database maintained by the ~~Department~~
22 Division of Workforce Services or its designated contractor within five (5)
23 business days of receipt from an employer. As used herein, "business day"
24 means a day on which state offices are open for regular business.

25
26 SECTION 196. Arkansas Code § 11-10-902(c)(3), concerning reporting
27 requirements, obligations, confidentiality, and enforcement of child support
28 obligations and the timely reporting to the National Directory of New Hires,
29 is amended to read as follows:

30 (3) Within three (3) business days after the date information
31 regarding a newly hired employee is entered into the State New Hire Registry,
32 the ~~Department~~ Division of Workforce Services or its designated contractor
33 shall furnish the information to the National Directory of New Hires.

34
35 SECTION 197. Arkansas Code § 11-10-902(c)(5)(B), concerning reporting
36 requirements, obligations, confidentiality, and enforcement of child support

1 obligations, and the sharing of information with other state agencies, is
2 amended to read as follows:

3 (B) The ~~Department~~ Division of Workforce Services shall
4 have access to information reported by employers pursuant to this section for
5 purposes of administering the ~~Department~~ Division of Workforce Services'
6 programs.
7

8 SECTION 198. Arkansas Code § 11-10-902(d)(1), concerning reporting
9 requirements, obligations, confidentiality, and enforcement of child support
10 obligations, and the sharing of information for enforcement, is amended to
11 read as follows:

12 (d)(1) The ~~Department~~ Division of Workforce Services shall directly or
13 by contract conduct automated comparisons of the Social Security numbers
14 reported by employers and the Social Security numbers appearing within
15 records of the Office of Child Support Enforcement of the Revenue Division of
16 the Department of Finance and Administration for cases being enforced under
17 the Title IV-D State Plan.
18

19 SECTION 199. Arkansas Code § 11-10-1017(b)(2), concerning transfers of
20 assessment payments and an unemployment obligation assessment, is amended to
21 read as follows:

22 (2) At least once each month, deposits of the unemployment
23 obligation assessment payment and any interest and penalty payments
24 applicable to the unemployment obligation assessment shall be deposited into
25 the ~~Department~~ Division of Workforce ~~Services~~ Services' Bond Financing Trust
26 Fund.
27

28 SECTION 200. Arkansas Code § 11-10-1017(e), concerning an unemployment
29 obligation assessment, and the authority of the Director of the Department of
30 Workforce Services, is amended to read as follows:

31 (e) The Director of the ~~Department~~ Division of Workforce Services
32 shall promulgate rules to carry out the provisions of this section.
33

34 SECTION 201. Arkansas Code § 11-10-1018, concerning the Department of
35 Workforce Services Bond Financing Trust Fund, is amended to read as follows:

36 (a)(1) There is established on the books of the ~~Department~~ Division of

1 Workforce Services a special restricted fund to be known as the “Bond
 2 Financing Trust Fund”, to be maintained and administered by the ~~department~~
 3 division under this subchapter for the purposes stated in this subchapter.
 4

5 SECTION 202. Arkansas Code § 11-10-1018(c), concerning the Department
 6 of Workforce Services Bond Financing Trust Fund, is amended to read as
 7 follows:

8 (c) The ~~department~~ division shall maintain the Bond Financing Trust
 9 Fund at the Arkansas Development Finance Authority or at one (1) or more
 10 financial institutions within or outside the state.
 11

12 SECTION 203. Arkansas Code § 11-10-1018(e), concerning the Department
 13 of Workforce Services Bond Financing Trust Fund, is amended to read as
 14 follows:

15 (e)(1) All moneys received for, deposited into, or paid to the
 16 ~~department~~ division for deposit into the Bond Financing Trust Fund:

17 (A) Are specifically declared to be cash funds restricted
 18 in their use;

19 (B) Shall not be deposited into the State Treasury for the
 20 purposes of:

- 21 (i) Arkansas Constitution, Article 5, § 29;
- 22 (ii) Arkansas Constitution, Article 16, § 12;
- 23 (iii) Arkansas Constitution, Amendment 20; or
- 24 (iv) Any other constitutional provision or statutory

25 law; and

26 (C) Shall be held and applied by the ~~department~~ division
 27 and the Arkansas Development Finance Authority as agent for the ~~department~~
 28 division solely for the uses set forth in this subchapter.

29 (2) Interest and other moneys received from the investment of
 30 moneys in the Bond Financing Trust Fund are cash funds restricted in their
 31 use and shall not be deposited into the State Treasury but shall be held and
 32 applied by the ~~department~~ division and the Arkansas Development Finance
 33 Authority as agent for the ~~department~~ division solely for the uses set forth
 34 in this subchapter.
 35

36 SECTION 204. Arkansas Code § 11-15-104 is amended to read as follows:

1 11-15-104. Registry – Participating employers.

2 The ~~Department~~ Division of Workforce Services shall maintain a registry
3 of private employers and local government employers in Arkansas that have a
4 voluntary veterans' preference employment policy.

5
6 SECTION 205. Arkansas Code § 11-15-105 is amended to read as follows:

7 11-15-105. Verification of eligibility.

8 The Department of Veterans Affairs and the ~~Department~~ Division of
9 Workforce Services shall assist a private employer or a local government
10 employer in determining if an applicant or employee is a veteran, spouse of a
11 disabled veteran, or surviving spouse of a veteran.

12
13 SECTION 206. Arkansas Code § 14-164-704(a)(2)(A)(iii), concerning the
14 sale of property by the Arkansas Development Finance Authority or by a
15 municipality or county, is amended to read as follows:

16 (iii) Depreciation guidelines for personal property
17 published by the Assessment Coordination ~~Department~~ Division.

18
19 SECTION 207. Arkansas Code § 15-3-104(a), concerning the members of
20 the Board of Directors of the Division of Science and Technology of the
21 Arkansas Economic Development Commission, is amended to read as follows:

22 (a) The ~~Executive Director of the Arkansas Economic Development~~
23 ~~Commission~~ Secretary of the Department of Commerce shall be advised by
24 fourteen (14) directors, who together shall serve as the Board of Directors
25 of the Division of Science and Technology of the Arkansas Economic
26 Development Commission.

27
28 SECTION 208. Arkansas Code § 15-3-104(c), concerning the members of
29 the Board of Directors of the Division of Science and Technology of the
30 Arkansas Economic Development Commission, is amended to read as follows:

31 (c) The board shall consist of the Director of the ~~Department~~ Division
32 of Higher Education or the Director of the ~~Department~~ Division of Higher
33 Education's designee and thirteen (13) directors who shall be appointed by
34 the Governor, subject to confirmation by the Senate, as follows:

35 (1) Three (3) directors shall be engineers or scientists
36 recognized for their scientific or technological research efforts;

1 (2) Two (2) directors shall be appointed as representatives of
2 academic institutions who have an extended extensive involvement in science
3 and technology research;

4 (3) Five (5) directors shall be representatives of the private
5 sector of the state, who shall be persons with knowledge or experience in the
6 fields of agriculture, forestry, finance, economic development, or science
7 and technology; and

8 (4) Three (3) directors shall be appointed as representatives of
9 the private sector of the state, who shall be persons with knowledge or
10 experience in the field of manufacturing.

11
12 SECTION 209. Arkansas Code § 15-3-105 is amended to read as follows:
13 15-3-105. Organization.

14 (a) Directors of the Board of Directors of the Division of Science and
15 Technology of the Arkansas Economic Development Commission shall annually
16 elect from their membership one (1) member as chair, one (1) member as vice
17 chair, and one (1) member as secretary.

18 ~~(b)(1) The Executive Director of the Arkansas Economic Development~~
19 ~~Commission may also employ such other officers and employees as he or she may~~
20 ~~deem necessary.~~

21 ~~(2) Any such officer shall be eligible for selection to succeed~~
22 ~~himself or herself.~~

23
24 SECTION 210. Arkansas Code § 15-3-108(a)-(c), concerning the nature,
25 powers, and duties of the Division of Science and Technology of the Arkansas
26 Economic Development Commission, are amended to read as follows:

27 (a) The Division of Science and Technology of the Arkansas Economic
28 Development Commission shall be a body corporate and politic, having the
29 powers and jurisdiction hereinafter enumerated and additional powers as
30 conferred upon it by the General Assembly, the ~~Executive~~ Director of the
31 Arkansas Economic Development Commission, or the people of this state.

32 (b) The ~~executive~~ director, with the advice of the Board of Directors
33 of the Division of Science and Technology of the Arkansas Economic
34 Development Commission, is authorized and designated to engage in
35 undertakings, programs, enterprises, and activities involving agriculture,
36 manufacturing, medical and healthcare, transportation, public utility

1 services, research and development, and other programs involving the
2 establishment and encouragement of science and technological research.

3 (c) The ~~executive~~ director, the division, and its board, employees,
4 and agents shall be immune from civil liability for performing the duties
5 under this subchapter.

6
7 SECTION 211. The introductory language of Arkansas Code § 15-3-108(d),
8 concerning the nature, powers, and duties of the Division of Science and
9 Technology of the Arkansas Economic Development Commission, is amended to
10 read as follows:

11 (d) In the furtherance of the division's purposes, the ~~executive~~
12 director shall have all the powers necessary to carry out the division's
13 purposes, which shall include, but not be limited to:

14
15 SECTION 212. Arkansas Code § 15-3-108(d)(11), concerning the nature,
16 powers, and duties of the Division of Science and Technology of the Arkansas
17 Economic Development Commission, is repealed.

18 ~~(11) Appoint officers, employees, consultants, agents, and~~
19 ~~advisors and prescribe their duties;~~

20
21 SECTION 213. The introductory language of Arkansas Code § 15-3-109(a),
22 concerning the powers of the Executive Director of the Arkansas Economic
23 Development Commission, is amended to read as follows:

24 (a) In relation to the authorization under this subchapter to engage
25 in undertakings, programs, enterprises, and activities involving research and
26 development and other programs involving the establishment and encouragement
27 of scientific and technological research, the ~~Executive~~ Director of the
28 Arkansas Economic Development Commission shall have all the powers necessary
29 to carry out programs which include, but are not limited to:

30
31 SECTION 214. Arkansas Code § 15-3-109(b), concerning the powers of the
32 Executive Director of the Arkansas Economic Development Commission, is
33 amended to read as follows:

34 (b) In establishing and maintaining the programs authorized by this
35 section, the ~~executive~~ director may utilize moneys as are lawfully available
36 to the ~~executive~~ director for supporting the purposes of the Division of

1 Science and Technology of the Arkansas Economic Development Commission.

2
3 SECTION 215. Arkansas Code § 15-3-110(a) and (b), concerning the power
4 to promote basic and applied research at Arkansas colleges and universities,
5 are amended to read as follows:

6 (a) The ~~Executive~~ Director of the Arkansas Economic Development
7 Commission may make such rules and regulations as he or she may deem
8 appropriate to enable him or her to create and fund programs designed to
9 promote basic research and applied research at Arkansas colleges and
10 universities and to develop technology emerging from sources of innovation in
11 this state, including, but not limited to, colleges and universities, federal
12 laboratories, small businesses, and inventors.

13 (b)(1) In carrying out his or her functions under this section, the
14 ~~executive director~~ Director of the Arkansas Economic Development Commission
15 may create such advisory committees as may be useful in evaluating research
16 and development proposals.

17 (2) The memberships of these advisory committees may include
18 both directors and staff members of the Division of Science and Technology of
19 the Arkansas Economic Development Commission and other persons drawn from
20 sources other than the division, all of whom shall serve at the pleasure of
21 the ~~executive director~~ Director of the Arkansas Economic Development
22 Commission.

23 (3) Members of such advisory committees shall serve without
24 compensation for their membership on such committees but may receive expense
25 reimbursement in accordance with § 25-16-901 et seq.

26
27 SECTION 216. Arkansas Code § 15-3-110(d)(1)(B), concerning the power
28 to promote basic and applied research at Arkansas colleges and universities,
29 is amended to read as follows:

30 (B) However, the contribution of the ~~executive director~~
31 Director of the Arkansas Economic Development Commission may defray up to
32 sixty-six and two-thirds percent (66 2/3%) of the total cost of a proposed
33 applied research project if the ~~executive director~~ Director of the Arkansas
34 Economic Development Commission, with the advice of the Board of Directors of
35 the Division of Science and Technology of the Arkansas Economic Development
36 Commission, finds that the participating private industry is principally

1 located in Arkansas and employs fifty (50) or fewer persons.

2
3 SECTION 217. Arkansas Code § 15-3-110(d)(3), concerning the power to
4 promote basic and applied research at Arkansas colleges and universities, is
5 amended to read as follows:

6 (3) The ~~executive director~~ Director of the Arkansas Economic
7 Development Commission shall approve for funding only those proposed applied
8 research projects for which the ~~executive director~~ Director of the Arkansas
9 Economic Development Commission finds that enhanced employment opportunity
10 within Arkansas will be a likely result.

11
12 SECTION 218. Arkansas Code § 15-3-110(e)(2)-(4), concerning the power
13 to promote basic and applied research at Arkansas colleges and universities,
14 are amended to read as follows:

15 (2) The ~~executive director~~ Director of the Arkansas Economic
16 Development Commission shall impose a reasonable, nonrefundable fee for the
17 evaluation of the technological and economic potential of emerging
18 technologies contained in proposals from nonpublic sources of innovation.

19 (3) The ~~executive director~~ Director of the Arkansas Economic
20 Development Commission is authorized to incorporate a royalty provision not
21 to exceed five percent (5%) of net sales revenue per year for a period of not
22 more than ten (10) years as a condition of award.

23 (4) The ~~executive director~~ Director of the Arkansas Economic
24 Development Commission shall approve for funding only those proposed
25 technology development projects for which the ~~executive~~ director finds that
26 enhanced economic opportunity within Arkansas will be a likely result.

27
28 SECTION 219. Arkansas Code § 15-3-111 is amended to read as follows:
29 15-3-111. Additional powers.

30 The ~~Executive~~ Director of the Arkansas Economic Development Commission
31 shall have such additional powers and duties as may be hereafter delegated to
32 or imposed upon him or her from time to time by the General Assembly.

33
34 SECTION 220. Arkansas Code § 15-3-112 is amended to read as follows:
35 15-3-112. Prohibition on personal interest in contracts.

36 (a) No director, officer, or employee of the Division of Science and

1 Technology of the Arkansas Economic Development Commission or of the Board of
2 Directors of the Division of Science and Technology of the Arkansas Economic
3 Development Commission, for purpose of personal gain, shall have or attempt
4 to have, directly or indirectly, any interest in any contract or agreement of
5 the division in connection with the qualified investments or other programs
6 of the division.

7 (b) The ~~Executive~~ Director of the Arkansas Economic Development
8 Commission shall not invest, pursuant to § 15-3-122, in any qualified
9 security of:

10 (1) Any enterprise that is owned, wholly or partially, directly
11 or indirectly, by any director or officer of the division; or

12 (2) Any enterprise that employs a director of the division.

13 (c) It shall not be a violation of this section for the ~~executive~~
14 ~~director~~ Director of the Arkansas Economic Development Commission to permit
15 any college, university, or other nonprofit institution with which a director
16 is affiliated to participate in any program of the division, provided that
17 the director shall promptly disclose the nature of the affiliation to the
18 board.

19 (d)(1) It shall not be a violation of this section for the ~~executive~~
20 ~~director~~ Director of the Arkansas Economic Development Commission to permit a
21 manufacturer or other for-profit entity with which a director is affiliated
22 to pay to the division fees for services and receive, in return for those
23 fees, services:

24 (A) That are generally available to all manufacturers or
25 other for-profit entities; and

26 (B) That are not available to the manufacturer or other
27 for-profit entity solely due to its affiliation with a director.

28 (2)(A) A director affiliated with a manufacturer or other for-
29 profit entity that enters into a contract or an agreement pursuant to
30 subdivision (d)(1) of this section shall disclose the contract or agreement
31 in writing to the ~~executive director~~ Director of the Arkansas Economic
32 Development Commission.

33 (B) The ~~executive director~~ Director of the Arkansas
34 Economic Development Commission shall inform the board of the contract or
35 agreement at its next regularly scheduled meeting and attach a copy of the
36 written disclosure to the minutes of that meeting.

1
2 SECTION 221. Arkansas Code § 15-3-113(b) and (c), concerning the
3 Division of Science and Technology of the Arkansas Economic Development
4 Commission's cooperation with other agencies for studies, planning, and
5 recommendations for industrial development, are amended to read as follows:

6 (b) The ~~Executive~~ Director of the Arkansas Economic Development
7 Commission shall recommend to the General Assembly proposed laws and
8 regulations to support the growth and development of programs and research in
9 the sciences and specialized areas of high technology.

10 (c) The ~~executive~~ director may provide leadership and assistance in
11 cooperation with the Arkansas Public Service Commission, or any other
12 federal, state, county, or municipal authority and to private industries in
13 this state for the adoption and execution of any improvements, changes in
14 methods of operation, rates of transportation, utilities, and zoning and
15 building requirements and covenants which, in the opinion of the ~~executive~~
16 director, may be designed to improve or better operate the existing programs
17 and research in the sciences and specific areas of high technology and
18 related industrial development.

19
20 SECTION 222. Arkansas Code § 15-3-116(a), concerning the deposit of
21 money and audits of the Division of Science and Technology of the Arkansas
22 Economic Development Commission, is amended to read as follows:

23 (a) All moneys coming into the hands of the Division of Science and
24 Technology of the Arkansas Economic Development Commission shall be deposited
25 into one (1) or more financial institutions selected by the ~~Executive~~
26 Director of the Arkansas Economic Development Commission with the advice of
27 the Board of Directors of the Division of Science and Technology of the
28 Arkansas Economic Development Commission and authorized to do business in
29 this state.

30
31 SECTION 223. Arkansas Code § 15-3-116(c), concerning the deposit of
32 money and audits of the Division of Science and Technology of the Arkansas
33 Economic Development Commission, is amended to read as follows:

34 (c) The ~~executive~~ director shall provide for an audit to be performed
35 and accepted by a certified public accountant or firm within sixty (60) days
36 following the conclusion of each fiscal year of the division and shall file

1 copies thereof with the Legislative Joint Auditing Committee.

2
3 SECTION 224. Arkansas Code § 15-3-132(a)(2), concerning the criteria
4 and designation of centers for applied technology, is amended to read as
5 follows:

6 (2) Establish, in consultation with the ~~Department~~ Division of
7 Higher Education, criteria that must be satisfied for designation as a
8 center, including, but not limited to:

9 (A) An established record of research, development, and
10 instruction in the area of technology;

11 (B) The capacity to conduct research and development
12 activities in collaboration with private enterprises;

13 (C) The capacity to secure substantial private and other
14 government funding for the proposed center;

15 (D) The ability and willingness to cooperate with other
16 colleges and universities in conducting research and development activities
17 and in disseminating research results and to work with institutions of higher
18 learning to enhance the quality of technological education in the area or
19 areas of technology involved; and

20 (E) The ability and willingness to cooperate with the
21 division, the Arkansas Economic Development Council, and other economic
22 development agencies in promoting the growth and development in Arkansas of
23 enterprises based upon or benefiting from the areas of technology involved;
24 and

25
26 SECTION 225. Arkansas Code § 15-3-133(b), concerning the advisory
27 committees of centers for applied technology, is amended to read as follows:

28 (b) The memberships of these advisory committees may include both
29 directors and staff members of the division and other persons drawn from
30 sources other than the division, all of whom shall serve at the pleasure of
31 the ~~Executive~~ Director of the Arkansas Economic Development Commission.
32

33 SECTION 226. Arkansas Code § 15-3-203(b)(1), concerning the
34 administration of the Arkansas Research Matching Fund, is amended to read as
35 follows:

36 (b)(1) Upon receipt of an application for matching funds to match

1 federal funds from one (1) of the funding agencies identified in § 15-3-205,
2 the commission, with the advice of the Board of Directors of the Division of
3 Science and Technology of the Arkansas Economic Development Commission, shall
4 determine the eligibility for matching funds based on a finding that the
5 proposed research is in fields having long-term economic or commercial value
6 to the state and which have been identified in the research and development
7 plan approved by the ~~Executive~~ Director of the Arkansas Economic Development
8 Commission.

9
10 SECTION 227. Arkansas Code § 15-3-204(b), concerning the disbursement
11 of funds from Arkansas Research Matching Fund is amended to read as follows:

12 (b) The ~~Executive~~ Director of the Arkansas Economic Development
13 Commission, with the advice of the Board of Directors of the Division of
14 Science and Technology of the Arkansas Economic Development Commission, may
15 approve multi-year research grants, but disbursements of the matching funds
16 authorized by this subchapter shall be for no more than a twelve-month
17 period.

18
19 SECTION 228. Arkansas Code § 15-3-605(c)(4), concerning the
20 application requirements for a business and technology accelerator grant, is
21 amended to read as follows:

22 (4) Provide advice to the ~~Executive~~ Director of the Arkansas
23 Economic Development Commission concerning the applications for business and
24 technology accelerator grants reviewed by the division.

25
26 SECTION 229. Arkansas Code § 15-3-606(a)(1)(A), concerning business
27 and technology accelerator grant awards, is amended to read as follows:

28 (A) Be awarded under this subchapter unless offered in
29 writing by the ~~Executive~~ Director of the Arkansas Economic Development
30 Commission; and

31
32 SECTION 230. Arkansas Code § 15-3-606(a)(2), concerning business and
33 technology accelerator grant awards, is amended to read as follows:

34 (2) Subject to funding and the discretion of the ~~executive~~
35 director, may be offered to an eligible applicant that successfully completes
36 the application process.

1
2 SECTION 231. Arkansas Code § 15-3-706(c)(4), concerning the
3 application requirements for matching grants, is amended to read as follows:

4 (4) Provide advice to the ~~Executive~~ Director of the Arkansas
5 Economic Development Commission concerning the applications for matching
6 grants reviewed by the division.
7

8 SECTION 232. Arkansas Code § 15-3-707(a)(1)(A), concerning the
9 matching of grants awarded by the Executive Director of the Arkansas Economic
10 Development Commission, is amended to read as follows:

11 (A) Be awarded under this subchapter unless offered in
12 writing by the ~~Executive~~ Director of the Arkansas Economic Development
13 Commission; and
14

15 SECTION 233. Arkansas Code § 15-4-104(a), concerning the bond guaranty
16 programs for employee stock purchases, is amended to read as follows:

17 (a) When an Arkansas-based employee stock ownership plan buys at least
18 twenty percent (20%) of the stock of an Arkansas-based business entity formed
19 under Arkansas law and the ~~Executive~~ Director of the Arkansas Economic
20 Development Commission determines that had it not been for the purchase by
21 the employee stock ownership plan that Arkansas jobs would have been lost,
22 the Arkansas-based business entity shall be qualified for any bond guaranty
23 programs administered by the Arkansas Economic Development Commission or the
24 Arkansas Development Finance Authority.
25

26 SECTION 234. Arkansas Code § 15-4-203(a)(2), concerning the
27 organization and meetings of the Arkansas Economic Development Council, is
28 amended to read as follows:

29 (2) The ~~Executive~~ Director of the Arkansas Economic Development
30 Commission shall be ex officio Secretary of the Arkansas Economic Development
31 Council but shall have no vote on matters coming before it.
32

33 SECTION 235. Arkansas Code § 15-4-204(a), concerning the functions,
34 powers, and duties of the Arkansas Economic Development Council, is amended
35 to read as follows:

36 (a) The Arkansas Economic Development Council may serve in an advisory

1 capacity to the ~~Executive~~ Director of the Arkansas Economic Development
 2 Commission, the Governor, and the General Assembly.

3
 4 SECTION 236. Arkansas Code § 15-4-206 is amended to read as follows:

5 15-4-206. Arkansas Economic Development Commission – ~~Executive~~
 6 Director.

7 (a)~~(1)~~ The ~~Executive~~ Director of the Arkansas Economic Development
 8 Commission shall be ~~appointed by the Governor subject to confirmation by the~~
 9 Senate employed by the Secretary of the Department of Commerce.

10 ~~(2) The executive director shall serve at the pleasure of the~~
 11 ~~Governor.~~

12 (b) The ~~executive~~ director shall:

13 (1) Have the experience necessary to lead the Arkansas Economic
 14 Development Commission as determined by the ~~Governor~~ Secretary of the
 15 Department of Commerce;

16 (2) Be custodian of all property held in the name of the
 17 commission; and

18 (3) Be the ex officio disbursing agent of all funds available
 19 for the commission's use.

20
 21 SECTION 237. Arkansas Code § 15-4-219(2), concerning the annual report
 22 of the Arkansas Economic Development Commission, is amended to read as
 23 follows:

24 (2) The ~~Executive~~ Director of the Arkansas Economic Development
 25 Commission's assessment of the commission's performance, including without
 26 limitation a comparison to:

27 (A) The commission's performance over the past two (2)
 28 years;

29 (B) The commission's own projections; and

30 (C) Economic development in neighboring states.

31
 32 SECTION 238. Arkansas Code § 15-4-305 is amended to read as follows:

33 15-4-305. Administrator.

34 The head of the Division of Minority and Women-owned Business
 35 Enterprise of the Arkansas Economic Development Commission is the
 36 Administrator of the Division of Minority and Women-owned Business Enterprise

1 of the Arkansas Economic Development Commission and shall be appointed by the
2 ~~Governor~~ Secretary of the Department of Commerce.

3
4 SECTION 239. Arkansas Code § 15-4-307(c)(4), concerning the Minority
5 and Women-owned Business Advisory Council, is amended to read as follows:

6 (4) The ~~Executive~~ Director of the Arkansas Economic Development
7 Commission shall appoint two (2) members of the council.

8
9 SECTION 240. The introductory language of Arkansas Code § 15-4-
10 307(h)(3), concerning the Minority and Women-owned Business Advisory Council,
11 is amended to read as follows:

12 (3) Make annual reports to the ~~Governor~~ Secretary of the
13 Department of Commerce, including without limitation:

14
15 SECTION 241. Arkansas Code § 15-4-706(a), concerning the execution and
16 delivery on bonds by the Chair of the Arkansas Economic Development Council
17 and the Executive Director of the Arkansas Economic Development Commission,
18 is amended to read as follows:

19 (a) The bonds shall be executed by the facsimile signature of the
20 Chair of the Arkansas Economic Development Council and by the manual
21 signature of the ~~Executive~~ Director of the Arkansas Economic Development
22 Commission.

23
24 SECTION 242. Arkansas Code § 15-4-1602(1), concerning the definition
25 of "annual payroll" under the Arkansas Economic Development Incentive Act of
26 1993, is amended to read as follows:

27 (1) "Annual payroll" means the wages of the net new full-time
28 permanent employees based on the payroll for the previous twelve (12) months
29 reported to the ~~Department~~ Division of Workforce Services and is computed by
30 using the total of the net new full-time permanent employees' reported
31 taxable earnings, including overtime pay;

32
33 SECTION 243. Arkansas Code § 15-4-1602(5), concerning the definition
34 of "executive director" under the Arkansas Economic Development Incentive
35 Act, is repealed.

36 ~~(5) "Executive director" means the Executive Director of the~~

1 ~~Arkansas Economic Development Commission,~~

2
3 SECTION 244. Arkansas Code § 15-4-1602(9), concerning the definition
4 of "high unemployment" under the Arkansas Economic Development Incentive Act
5 of 1993, is amended to read as follows:

6 (9)(A) "High unemployment" means an unemployment rate equal to
7 or in excess of one hundred fifty percent (150%) of the state's average
8 unemployment rate for the preceding calendar year as specified by statewide
9 annual labor force statistics compiled by the ~~department~~ Division of
10 Workforce Services when the state's annual average unemployment rate is six
11 percent (6%) or below.

12 (B) When the state's annual average unemployment rate is
13 above six percent (6%), "high unemployment" means equal to or in excess of
14 three percent (3%) above the state's average unemployment rate for the
15 preceding calendar year as specified by statewide annual labor force
16 statistics compiled by the ~~department~~ Division of Workforce Services;

17
18 SECTION 245. Arkansas Code § 15-4-1604(2)(A), concerning the powers
19 and duties of the Arkansas Economic Development Commission, is amended to
20 read as follows:

21 (2)(A) In highly competitive situations, the ~~Executive~~ Director
22 of the Arkansas Economic Development Commission is authorized to negotiate
23 proposals on behalf of the state with prospective businesses which are
24 considering locating a new facility or expanding an existing facility that
25 would employ the requisite number of net new full-time permanent employees
26 provided by § 15-4-1605.

27
28 SECTION 246. Arkansas Code § 15-4-1606(3)(A), concerning the
29 limitations on all financial incentive plans negotiated by the Arkansas
30 Economic Development Council, is amended to read as follows:

31 (3)(A) If the number of net new full-time permanent employees
32 drops below the requisite number provided in § 15-4-1605, all benefits under
33 the financial incentive plan entered into with the commission shall be
34 terminated unless the ~~Executive~~ Director of the Arkansas Economic Development
35 Commission and the Chief Fiscal Officer of the State approve a written
36 request filed by the business explaining why the number of net new full-time

1 permanent employees fell below the requisite number. The ~~executive~~ director
2 and the Chief Fiscal Officer of the State may grant the business up to
3 twenty-four (24) months to bring the number of net new full-time permanent
4 employees back up to the requisite number and may approve the continuation of
5 benefits during that period.

6
7 SECTION 247. Arkansas Code § 15-4-1606(4)(B)(ii), concerning the
8 limitations on all financial incentive plans negotiated by the Arkansas
9 Economic Development Council, is amended to read as follows:

10 (ii) A financial incentive plan may designate funds
11 for employee training, infrastructure, or other purposes agreed to by the
12 business and the ~~executive~~ director; and

13
14 SECTION 248. Arkansas Code § 15-4-1608(a), concerning verification by
15 the Department of Finance and Administration of financial incentive plans
16 with the Arkansas Economic Development Commission is amended to read as
17 follows:

18 (a) The Department of Finance and Administration shall have the
19 authority to obtain whatever information necessary from participating
20 businesses and from the ~~Department~~ Division of Workforce Services to verify
21 that businesses which have entered into financial incentive plans with the
22 Arkansas Economic Development Commission are complying with the terms of the
23 financial incentive plans and reporting accurate information concerning the
24 number of employees and their payrolls to the Department of Finance and
25 Administration.

26
27 SECTION 249. Arkansas Code § 15-4-1702(1)(A), concerning the
28 definition of "average hourly wage" under the Arkansas Enterprise Zone Act of
29 1993, is amended to read as follows:

30 (1)(A) "Average hourly wage" means the average wage of the net
31 new full-time permanent employees based on payroll for the most recent
32 quarter reported to the ~~Department~~ Division of Workforce Services.

33
34 SECTION 250. Arkansas Code § 15-4-1702(5), concerning the definition
35 of "executive director" under the Arkansas Enterprise Zone Act of 1993, is
36 repealed.

1 ~~(5) "Executive director" means the Executive Director of the~~
2 ~~Arkansas Economic Development Commission;~~

3
4 SECTION 251. Arkansas Code § 15-4-1702(15), concerning the definition
5 of "project plan" under the Arkansas Enterprise Zone Act of 1993, is amended
6 to read as follows:

7 (15) "Project plan" means the plan submitted to the commission
8 containing such information as may be required by the ~~executive~~ director to
9 determine eligibility for benefits;

10
11 SECTION 252. Arkansas Code § 15-4-1704(g)(2), concerning a refund of
12 sales and use tax and a tax credit, is amended to read as follows:

13 (2) In the event that the requisite number of net new full-time
14 permanent employees cannot be employed within the twenty-four-month period,
15 the business can file a written application with the commission explaining
16 why additional time is necessary. The business can be afforded up to twenty-
17 four (24) more months to hire the requisite number of employees if the
18 ~~Executive~~ Director of the Arkansas Economic Development Commission and the
19 Chief Fiscal Officer of the State determine that the need for additional time
20 is due to:

21 (A) Unanticipated and unavoidable delay in the
22 construction of a facility that must be completed before the employees can be
23 hired;

24 (B) The project as originally planned will require more
25 than twenty-four (24) months to complete; or

26 (C) A change in the business ownership or business
27 structure due to a merger or acquisition.

28
29 SECTION 253. Arkansas Code § 15-4-1709(a), concerning the exceptions
30 to a designation as a high-unemployment county, is amended to read as
31 follows:

32 (a) A county that does not qualify as a high-unemployment county, as
33 defined in § 15-4-1702, but has experienced a sudden and severe period of
34 economic distress caused by the closing of a business entity that results in
35 the loss of a minimum of five hundred (500) full-time permanent jobs or a
36 minimum of five percent (5%) of the employed labor force, as determined by

1 the most recent "Labor Market Information" publication published by the
2 ~~Department~~ Division of Workforce Services, may be designated as a high-
3 unemployment county by the Arkansas Economic Development Council.
4

5 SECTION 254. Arkansas Code § 15-4-1902(1)(A), concerning the
6 definition of "average hourly wage" under the Arkansas Economic Development
7 Act of 1995, is amended to read as follows:

8 (1)(A) "Average hourly wage" means the average wage of the net
9 new full-time permanent employees based on payroll for the most recent
10 quarter reported to the ~~Department~~ Division of Workforce Services.
11

12 SECTION 255. Arkansas Code § 15-4-1902(6), concerning the definition
13 of "executive director" under the Arkansas Economic Development Act of 1995,
14 is repealed.

15 ~~(6) "Executive director" means the Executive Director of the~~
16 ~~Arkansas Economic Development Commission;~~
17

18 SECTION 256. Arkansas Code § 15-4-1903(2)(B)(iv), concerning the
19 powers and duties of the Arkansas Economic Development Commission, is amended
20 to read as follows:

21 (iv) If the project is located in a high
22 unemployment area, the ~~Executive~~ Director of the Arkansas Economic
23 Development Commission will consider all the factors of the project and
24 negotiate with the business an income tax credit in an amount up to one
25 hundred percent (100%) of the state income tax liability;
26

27 SECTION 257. Arkansas Code § 15-4-1906(b)(1)(2)(B), concerning the
28 refund of sales and use taxes and income tax credits, is amended to read as
29 follows:

30 (B) In the event that the requisite number of net new
31 full-time permanent employees cannot be employed within the twenty-four-month
32 period, the business can file a written application with the commission
33 explaining why additional time is necessary. The business can be afforded up
34 to twenty-four (24) more months to hire the requisite number of employees if
35 the ~~Executive~~ Director of the Arkansas Economic Development Commission and
36 the Chief Fiscal Officer of the State determine that the need for additional

1 time is due to:

2 (i) Unanticipated and unavoidable delay in the
3 construction of a facility that must be completed before the employees can be
4 hired;

5 (ii) The project as originally planned will require
6 more than twenty-four (24) months to complete; or

7 (iii) A change in the business ownership or business
8 structure due to a merger or acquisition.

9

10 SECTION 258. Arkansas Code § 15-4-1907(a), concerning verification by
11 the Department of Finance and Administration of financial incentive plans
12 with the Arkansas Economic Development Commission is amended to read as
13 follows:

14 (a) The Department of Finance and Administration shall have the
15 authority to obtain whatever information necessary from the participating
16 businesses and from the ~~Department~~ Division of Workforce Services to verify
17 that businesses which have entered into financial incentive plans with the
18 Arkansas Economic Development Commission are complying with the terms of the
19 financial incentive plans and reporting accurate information concerning the
20 number of employees and their payroll to the Department of Finance and
21 Administration.

22

23 SECTION 259. Arkansas Code § 15-4-2004(b)(2), concerning the
24 requirement for registration of a production company with the Film Office, is
25 amended to read as follows:

26 (2) The ~~Executive~~ Director of the Arkansas Economic Development
27 Commission may waive this requirement if he or she determines that the state
28 should not be acknowledged.

29

30 SECTION 260. Arkansas Code § 15-4-2007(b)(2)(B)(ii), concerning the
31 filing application for rebate with the Arkansas Economic Development
32 Commission, is amended to read as follows:

33 (ii) Term of the agreement, which shall be
34 calculated from the date the agreement is signed by the production company
35 and the ~~Executive~~ Director of the Arkansas Economic Development Commission;

36

1 SECTION 261. Arkansas Code § 15-4-2303(6), concerning the definition
2 of "executive director" under the Arkansas Public Roads Improvements Credit
3 Act, is repealed.

4 ~~(6) "Executive director" means the Executive Director of the~~
5 ~~Arkansas Economic Development Commission;~~

6
7 SECTION 262. Arkansas Code § 15-4-2303(10), concerning the definition
8 of "project" under the Arkansas Public Roads Improvements Credit Act, is
9 amended to read as follows:

10 (10) "Project" means all, any combination, or any part of the
11 capital improvements for public roads which are authorized by a governing
12 authority and approved by the ~~executive director~~ Director of the Arkansas
13 Economic Development Commission;

14
15 SECTION 263. Arkansas Code § 15-4-2304 is amended to read as follows:
16 15-4-2304. Approval of projects.

17 Governing authorities may apply to the ~~Executive~~ Director of the
18 Arkansas Economic Development Commission for funding assistance for capital
19 improvement projects for public roads as provided by this subchapter. The
20 ~~executive~~ director is authorized to approve capital improvements for funding
21 assistance upon a finding that a project is in the public interest.

22
23 SECTION 264. Arkansas Code § 15-4-2305(b), concerning the Public Roads
24 Incentive Fund, is amended to read as follows:

25 (b) The fund shall consist of contributions made by taxpayers for
26 public roads projects approved by the ~~Executive~~ Director of the Arkansas
27 Economic Development Commission and any other funds as are designated or
28 deposited to the fund by law.

29
30 SECTION 265. Arkansas Code § 15-4-2305(c)(2), concerning the Public
31 Roads Incentive Fund, is amended to read as follows:

32 (2) Any contributions which remain in the fund when a project is
33 completed or terminated shall be held and applied to other public roads
34 projects in such manner as the ~~executive~~ director shall direct.

35
36 SECTION 266. Arkansas Code § 15-4-2501(4), concerning the definition

1 of "executive director" under the law regarding the Arkansas Economic
2 Development Commission, is repealed.

3 ~~(4) "Executive director" means the Executive Director of the~~
4 ~~Arkansas Economic Development Commission;~~

5
6 SECTION 267. Arkansas Code § 15-4-2501(5)(A), concerning the
7 definition of "high unemployment" under the law regarding the Arkansas
8 Economic Development Commission, is amended to read as follows:

9 (5)(A) "High unemployment" means an unemployment rate equal to
10 or greater than one hundred fifty percent (150%) of the state's average
11 unemployment rate for the preceding calendar year as specified by statewide
12 annual labor force statistics compiled by the ~~Department~~ Division of
13 Workforce Services, when the state's annual average unemployment is six
14 percent (6%) or lower.

15
16 SECTION 268. Arkansas Code § 15-4-2703(7)(A), concerning the
17 definition of "county or state average hourly wage" under the Consolidated
18 Incentive Act of 2003, is amended to read as follows:

19 (7)(A) "County or state average hourly wage" means the weighted
20 average weekly earnings for Arkansans in all industries, both statewide and
21 countywide, as calculated by the ~~Department~~ Division of Workforce Services in
22 its most recent "Annual Covered Employment and Earnings" publication, divided
23 by forty (40).

24
25 SECTION 269. The introductory language of Arkansas Code § 15-4-
26 2703(9)(I), concerning the definition of "eligible businesses" under the
27 Consolidated Incentive Act of 2003, is amended to read as follows:

28 (I) The ~~Executive~~ Director of the Arkansas Economic
29 Development Commission may classify a nonretail business as an eligible
30 business if the following conditions exist:

31
32 SECTION 270. Arkansas Code § 15-4-2703(11), concerning the definition
33 of "executive director" under the Consolidated Incentive Act of 2003, is
34 repealed.

35 ~~(11) "Executive director" means the Executive Director of the~~
36 ~~Arkansas Economic Development Commission;~~

1
2 SECTION 271. Arkansas Code § 15-4-2703(12)(C), concerning the
3 definition of "existing employees" under the Consolidated Incentive Act of
4 2003, is amended to read as follows:

5 (C) If the ~~Executive~~ Director of the Arkansas Economic
6 Development Commission and the ~~Director~~ Secretary of the Department of
7 Finance and Administration find that a significant impairment of Arkansas job
8 opportunities for existing employees will otherwise occur, they may jointly
9 authorize the counting of existing employees as new full-time permanent
10 employees;

11
12 SECTION 272. Arkansas Code § 15-4-2703(17)(A)(ii)(b), concerning the
13 definition of "in-house research" under the Consolidated Incentive Act of
14 2003, is amended to read as follows:

15 (b) A contractual agreement with a state
16 college, state university, or other research organization to perform research
17 for a targeted business if the ~~Executive~~ Director of the Arkansas Economic
18 Development Commission with the advice of the Board of Directors of the
19 Division of Science and Technology of the Arkansas Economic Development
20 Commission makes a written determination before the research is performed
21 that the research is essential to the core function of the targeted business.
22

23 SECTION 273. Arkansas Code § 15-4-2703(32)(A), concerning the
24 definition of "project plan" under the Consolidated Incentive Act of 2003, is
25 amended to read as follows:

26 (A) Submitted to the commission containing such
27 information as may be required by the ~~Executive~~ Director of the Arkansas
28 Economic Development Commission to determine eligibility for benefits; and
29

30 SECTION 274. Arkansas Code § 15-4-2704(e)(1), concerning the tier
31 system of the Arkansas Economic Development Commission, is amended to read as
32 follows:

33 (e)(1) A county that has experienced a sudden and severe period of
34 economic distress caused by the closing of a business entity that results in
35 the loss of a minimum of five percent (5%) of the employed labor force, as
36 determined by the most recent Labor Market Information publication published

1 by the ~~Department~~ Division of Workforce Services, may be moved up one (1)
 2 tier upon submitting a request to and being approved by the Arkansas Economic
 3 Development Council.

4
 5 SECTION 275. Arkansas Code § 15-4-2705(d)(3), concerning a job-
 6 creation tax credit, is amended to read as follows:

7 (3) To qualify for a credit under this subsection, the proposed
 8 average hourly wage of a company applying for the benefit shall equal or be
 9 greater than the lowest county average hourly wage as calculated by the
 10 commission based on the most recent calendar year data published by the
 11 ~~Department~~ Division of Workforce Services.

12
 13 SECTION 276. Arkansas Code § 15-4-2705(h)(1), concerning a job-
 14 creation tax credit, is amended to read as follows:

15 (h)(1) If a business fails to meet the payroll threshold within two
 16 (2) years after the signing of the financial incentive agreement or within
 17 the time period established by an extension approved by the ~~Director~~
 18 Secretary of the Department of Finance and Administration and the ~~Executive~~
 19 Director of the Arkansas Economic Development Commission, that business will
 20 be liable for repayment of all benefits previously received by the business.

21
 22 SECTION 277. Arkansas Code § 15-4-2706(b)(1), concerning investment
 23 tax incentives, is amended to read as follows:

24 (b)(1) The award of this incentive shall be at the discretion of the
 25 ~~Executive~~ Director of the Arkansas Economic Development Commission.

26
 27 SECTION 278. Arkansas Code § 15-4-2706(b)(7), concerning investment
 28 tax incentives, is amended to read as follows:

29 (7) Technology-based enterprises, as defined by § 14-164-
 30 203(12), may earn, at the discretion of the ~~Executive~~ Director of the
 31 Arkansas Economic Development Commission, an income tax credit or sales and
 32 use tax credit based on new investment, provided that the technology-based
 33 enterprise:

34 (A) Creates a new payroll of at least two hundred fifty
 35 thousand dollars (\$250,000); and

36 (B) Pays wages that are at least one hundred seventy-five

1 percent (175%) of the state or county average hourly wage, whichever is less.

2
3 SECTION 279. Arkansas Code § 15-4-2706(c)(4)(A)-(D), concerning
4 investment tax incentives, are amended to read as follows:

5 (4)(A) Upon determination by the ~~Executive~~ Director of the
6 Arkansas Economic Development Commission that the project qualifies for
7 credit under this subsection, the ~~Executive~~ Director of the Arkansas Economic
8 Development Commission shall certify to the ~~Director~~ Secretary of the
9 Department of Finance and Administration that the project qualifies and shall
10 transmit with his or her certification the documents or copies of the
11 documents upon which the certification was based.

12 (B) The ~~Director~~ Secretary of the Department of Finance
13 and Administration shall provide forms to the qualified business on which to
14 claim the credit.

15 (C) At the end of the calendar year in which the
16 application is made and at the end of each calendar year thereafter until the
17 project is completed, the qualified business shall certify on the form
18 provided by the ~~Director~~ Secretary of the Department of Finance and
19 Administration the amount of expenditures on the project during the preceding
20 calendar year.

21 (D) Upon receipt of the form certifying expenditures, the
22 ~~Director~~ Secretary of the Department of Finance and Administration shall
23 determine the amount due as a credit for the preceding calendar year and
24 issue a memorandum of credit to the qualified business.

25
26 SECTION 280. Arkansas Code § 15-4-2706(d)(2)(A)(i), concerning
27 investment tax incentives, is amended to read as follows:

28 (2)(A)(i) A sales and use tax refund of state and local sales
29 and use taxes, excepting the sales and use taxes dedicated to the Educational
30 Adequacy Fund created in § 19-5-1227 and the Conservation Tax Fund as
31 authorized by § 19-6-484, on the purchases of the material used in the
32 construction of a building or buildings or any addition, modernization, or
33 improvement thereon for housing any new or expanding qualified business and
34 machinery and equipment to be located in or in connection with such a
35 building shall be authorized by the ~~Director~~ Secretary of the Department of
36 Finance and Administration.

1
2 SECTION 281. Arkansas Code § 15-4-2706(e)(3), concerning investment
3 tax incentives, is amended to read as follows:

4 (3) After the ~~Executive~~ Director of the Arkansas Economic
5 Development Commission has determined that the project is eligible for the
6 sales and use tax refund, this determination accompanied by the financial
7 incentive agreement and any other pertinent documentation shall be forwarded
8 to the ~~Director~~ Secretary of the Department of Finance and Administration.
9

10 SECTION 282. Arkansas Code § 15-4-2706(e)(4)(A)(i), concerning
11 investment tax incentives, is amended to read as follows:

12 (4)(A)(i) A sales and use tax refund of state and local sales
13 and use taxes, excepting the sales and use taxes dedicated to the Educational
14 Adequacy Fund as authorized by § 26-57-1002(d)(1)(A)(ii)(b) and the
15 Conservation Tax Fund as authorized by § 19-6-484, on the purchases of the
16 material used in the construction of a building or buildings or any addition,
17 modernization, or improvement thereon for housing any new or expanding
18 qualified business and machinery and equipment to be located in or in
19 connection with such a building shall be authorized by the ~~Director~~ Secretary
20 of the Department of Finance and Administration.
21

22 SECTION 283. Arkansas Code § 15-4-2707(d)(1), concerning the Economic
23 Development Incentive Fund payroll rebate, is amended to read as follows:

24 (d)(1) The award of this incentive is at the discretion of the
25 ~~Executive~~ Director of the Arkansas Economic Development Commission and may be
26 offered for a period of up to ten (10) years.
27

28 SECTION 284. Arkansas Code § 15-4-2707(d)(3)(E), concerning the
29 Economic Development Incentive Fund payroll rebate, is amended to read as
30 follows:

31 (E) The ~~executive~~ director may authorize benefits to a
32 prospective eligible business up to five percent (5%) of the payroll of new
33 full-time permanent employees if the following conditions exist:

34 (i) The prospective eligible business is considering
35 a location in another state;

36 (ii) The prospective eligible business receives at

1 least seventy-five percent (75%) of its sales revenues from out of state; and
2 (iii) The prospective eligible business is proposing
3 to pay wages in excess of one hundred percent (100%) of the county average
4 hourly wage of the county in which it locates.

5
6 SECTION 285. Arkansas Code § 15-4-2707(e)(1), concerning the Economic
7 Development Incentive Fund payroll rebate, is amended to read as follows:

8 (e)(1) Technology-based enterprises, as defined in § 14-164-
9 203(12), may earn, at the discretion of the ~~executive~~ director, a payroll
10 rebate equal to five percent (5%) of the payroll for new full-time permanent
11 employees for a period not to exceed ten (10) years.

12
13 SECTION 286. Arkansas Code § 15-4-2708(d)(1)(B), concerning the
14 granting of tax credits for research and development, is amended to read as
15 follows:

16 (B) Projects under the research and development programs
17 of the Division of Science and Technology of the Arkansas Economic
18 Development Commission when the projects directly involve an Arkansas
19 business and are approved by the ~~Executive~~ Director of the Arkansas Economic
20 Development Commission with the advice of the Board of Directors of the
21 Division of Science and Technology of the Arkansas Economic Development
22 Commission under rules promulgated by the division for those programs.

23
24 SECTION 287. Arkansas Code § 15-4-2708(e), concerning the granting of
25 tax credits for research and development, is amended to read as follows:

26 (e) To claim the credit granted under subsections (b)-(d) of this
27 section, the taxpayer shall file with his or her return, as an attachment to
28 the form prescribed by the ~~Director~~ Secretary of the Department of Finance
29 and Administration, copies of documentation to show that the ~~Executive~~
30 Director of the Arkansas Economic Development Commission has approved the
31 research expenditure as a part of a qualified in-house research program or
32 under the research and development programs of the division.

33
34 SECTION 288. Arkansas Code § 15-4-2709(c)(2)(A), concerning special
35 incentives based on payroll of targeted businesses, is amended to read as
36 follows:

1 (2)(A) The term of the financial incentive agreement shall be
2 established by the ~~Executive~~ Director of the Arkansas Economic Development
3 Commission for a period not to exceed five (5) years.
4

5 SECTION 289. Arkansas Code § 15-4-2709(c)(2)(C), concerning special
6 incentives based on payroll of targeted businesses, is amended to read as
7 follows:

8 (C) The ~~executive~~ director may allow a qualified targeted
9 business to sell any income tax credits earned through one (1) or more
10 incentives authorized by this subchapter.
11

12 SECTION 290. Arkansas Code § 15-4-2711(g)(2)(A), concerning the
13 administration of a sales and use tax refund, is amended to read as follows:

14 (2)(A) If the ~~Executive~~ Director of the Arkansas Economic
15 Development Commission and the ~~Director~~ Secretary of the Department of
16 Finance and Administration find that the approved business has presented
17 compelling reasons for an extension of time, the ~~Executive~~ Director of the
18 Arkansas Economic Development Commission may grant an extension of time not
19 to exceed forty-eight (48) months.
20

21 SECTION 291. Arkansas Code § 15-4-2711(i)(2), concerning the
22 administration of a sales and use tax refund, is amended to read as follows:

23 (2) The ~~Executive~~ Director of the Arkansas Economic Development
24 Commission and the ~~Director~~ Secretary of the Department of Finance and
25 Administration may approve the request for extension of time, not to exceed
26 twenty-four (24) months, for the business to bring the payroll back up to the
27 requisite threshold amount and may approve the continuation of benefits
28 during the period the extension is granted.
29

30 SECTION 292. Arkansas Code § 15-4-2711(1)(2)(B), concerning the
31 administration of a sales and use tax refund, is amended to read as follows:

32 (B) If the ~~Executive~~ Director of the Arkansas Economic
33 Development Commission finds that the business has presented compelling
34 reasons for an extension of time, the ~~Executive~~ Director of the Arkansas
35 Economic Development Commission may grant an extension of time not to exceed
36 twenty-four (24) months.

1
2 SECTION 293. Arkansas Code § 15-4-3005(e)(2)(D), concerning the State
3 of Arkansas general obligation economic development superprojects bonds, is
4 amended to read as follows:

5 (D) A certification by the ~~Executive~~ Director of the
6 Arkansas Economic Development Commission that each project to benefit from
7 the expenditure of the proceeds of the bonds consists of an investment in the
8 state of not less than four hundred million dollars (\$400,000,000) and the
9 creation of no fewer than four hundred (400) new permanent full-time jobs;
10 and

11
12 SECTION 294. Arkansas Code § 15-4-3202(25), concerning the definition
13 of "state hourly wage" under the Arkansas Amendment 82 Implementation Act, is
14 amended to read as follows:

15 (25) "State average hourly wage" means the weighted average
16 weekly earnings for Arkansas residents in all industries statewide as
17 calculated by the ~~Department~~ Division of Workforce Services in its most
18 recent Annual Covered Employment and Earnings publication, divided by forty
19 (40).

20
21 SECTION 295. Arkansas Code § 15-4-3203(h)(2)(G), concerning Amendment
22 82 project qualifications, is amended to read as follows:

23 (G) A statement by the ~~Executive~~ Director of the Arkansas
24 Economic Development Commission based on and outlining the:

25 (i) Terms of the letter of the commitment;
26 (ii) Estimated dollar amount of investment in the
27 state from the proposed project; and
28 (iii) Estimated number of new jobs to be created by
29 the proposed project;

30
31 SECTION 296. Arkansas Code § 15-4-3204 is amended to read as follows:
32 15-4-3204. Amendment 82 agreement.

33 As soon as practicable after the General Assembly's approval of the
34 issuance of bonds and before the Arkansas Development Finance Authority
35 issues bonds, the Governor, the Speaker of the House of Representatives, the
36 President Pro Tempore of the Senate, the ~~Executive~~ Director of the Arkansas

1 Economic Development Commission, the President of the Arkansas Development
2 Finance Authority, and the Chief Fiscal Officer of the State, all on behalf
3 of the state, and the sponsor of the qualified Amendment 82 project shall
4 execute the Amendment 82 agreement in substantially the same form as approved
5 by the General Assembly.

6
7 SECTION 297. Arkansas Code § 15-4-3206(b)(2), concerning the
8 compliance time period and audit requirements of Amendment 82, is amended to
9 read as follows:

10 (2)(A) Upon receipt of a request to extend the applicable time
11 period, the ~~executive director~~ Director of the Arkansas Economic Development
12 Commission shall immediately notify the ~~President of the Arkansas Development~~
13 ~~Finance Authority~~ Secretary of the Department of Commerce, the Chief Fiscal
14 Officer of the State, and the Governor.

15 (B) The ~~executive director, the president~~ Secretary of the
16 Department of Commerce, and the Chief Fiscal Officer of the State may approve
17 a request for a one-year extension upon a determination that there is a valid
18 economic reason for granting the extension.

19
20 SECTION 298. Arkansas Code § 15-4-3303(b)(1), concerning eligibility
21 for equity investment incentives, is amended to read as follows:

22 (b)(1) The award of the equity investment incentive tax credit to a
23 qualified business under subsection (a) of this section shall be determined
24 jointly at the discretion of the ~~Executive~~ Director of the Arkansas Economic
25 Development Commission with the advice of the Board of Directors of the
26 Division of Science and Technology of the Arkansas Economic Development
27 Commission and the President of the Arkansas Development Finance Authority.

28
29 SECTION 299. Arkansas Code § 15-4-3304(b)(4), concerning an
30 application for an equity investment incentive tax credit, is amended to read
31 as follows:

32 (4) Other information requested jointly by the ~~Executive~~
33 Director of the Arkansas Economic Development Commission and the President of
34 the Arkansas Development Finance Authority.

35
36 SECTION 300. Arkansas Code § 15-4-3501(c) and (d), concerning an

1 increased tax refund for major maintenance and improvement projects, are
2 amended to read as follows:

3 (c) The increased refund of sales and use taxes for major maintenance
4 and improvement projects provided in this section is a discretionary
5 incentive and is not available unless offered by the ~~Executive~~ Director of
6 the Arkansas Economic Development Commission.

7 (d) The ~~Executive~~ Director of the Arkansas Economic Development
8 Commission shall forward the taxpayer's application, financial incentive
9 agreement, any other pertinent documentation, and a written copy of the
10 determination under this subsection to the ~~Director~~ Secretary of the
11 Department of Finance and Administration if the ~~Executive~~ Director of the
12 Arkansas Economic Development Commission:

13 (1) Determines that the taxpayer is eligible for the increased
14 refund for major maintenance and improvement projects provided for in this
15 section;

16 (2) Determines that the taxpayer has provided reasonable proof
17 that there will be a positive return on the taxpayer's investment in the
18 major maintenance and improvement project that is sufficient to offset the
19 taxes refunded under this section;

20 (3) Determines that the taxpayer has provided a defined scope,
21 beginning date, and ending date for the major maintenance and improvement
22 project;

23 (4) Determines that the refund is reasonably necessary for the
24 taxpayer to remain competitive and preserve Arkansas jobs; and

25 (5) Agrees to provide the incentive under this section.

26
27 SECTION 301. Arkansas Code § 15-4-3501(h), concerning an increased tax
28 refund for major maintenance and improvement projects, is amended to read as
29 follows:

30 (h) The ~~Executive~~ Director of the Arkansas Economic Development
31 Commission and the ~~Director~~ Secretary of the Department of Finance and
32 Administration may promulgate rules necessary to implement this section.
33

34 SECTION 302. Arkansas Code § 15-4-3704(b)(3)-(5), concerning the
35 creation of the Arkansas Workforce Development Board, are amended to read as
36 follows:

1 (3) The Director of the ~~Department of Career Education~~ Adult
 2 Education Section of the Division of Workforce Services;

3 (4) The Director of the ~~Department~~ Division of Workforce
 4 Services;

5 (5) The Director of Arkansas Rehabilitation Services of the
 6 ~~Department of Career Education~~ Division of Workforce Services;

7
 8 SECTION 303. Arkansas Code § 15-4-3704(b)(7), concerning the creation
 9 of the Arkansas Workforce Development Board, is amended to read as follows:

10 (7) The ~~Executive~~ Director of the Arkansas Economic Development
 11 Commission;

12
 13 SECTION 304. Arkansas Code § 15-4-3704(k)(2), concerning the creation
 14 of the Arkansas Workforce Development Board, are amended to read as follows:

15 (2) Staff support shall be provided by the ~~Department~~ Division
 16 of Workforce Services of the Department of Commerce.

17
 18 SECTION 305. Arkansas Code § 15-4-3705(b)(2)(D), concerning the
 19 committees of the Arkansas Workforce Development Board, is amended to read as
 20 follows:

21 (D) The Director of the ~~Department~~ Division of Workforce
 22 Services; and

23
 24 SECTION 306. The introductory language of Arkansas Code § 15-4-3706,
 25 concerning the powers and duties of the Arkansas Workforce Development Board,
 26 is amended to read as follows:

27 The Arkansas Workforce Development Board shall assist the Governor and
 28 the Secretary of the Department of Commerce in:

29
 30 SECTION 307. Arkansas Code § 15-4-3707(b), concerning the requirements
 31 for the unified state workforce development plan, is amended to read as
 32 follows:

33 (b) The state plan shall be a unified plan addressing services
 34 available through all core programs and developed jointly by the ~~Department~~
 35 Division of Workforce Services, Adult Education Section of the Division of
 36 Workforce Services, Arkansas Rehabilitation Services, and the Division of

1 State Services for the Blind of the ~~Department of Human Services~~ Division of
2 Workforce Services, in coordination with the Arkansas Workforce Development
3 Board.

4
5 SECTION 308. Arkansas Code § 15-4-3707(c)(2)(E), concerning the
6 requirements for the unified state workforce development plan, is amended to
7 read as follows:

8 (E) How the Adult Education Section of the Division of
9 Workforce Services will, if applicable, align content standards for adult
10 education with state-adopted challenging academic content standards, as
11 adopted under § 1111(b)(1) of the Elementary and Secondary Education Act of
12 1965, 20 U.S.C. § 6311(b)(1);

13
14 SECTION 309. Arkansas Code § 15-5-202(a)(1), concerning the board of
15 directors and members of the Arkansas Development Finance Authority, is
16 amended to read as follows:

17 (a)(1) The Board of Directors of the Arkansas Development Finance
18 Authority shall consist of the ~~Director~~ Secretary of the Department of
19 Finance and Administration or his or her designee, who shall serve during the
20 ~~director's~~ Secretary of the Department of Finance and Administration's
21 absence, ~~and~~ eleven (11) public members to be appointed by the Governor with
22 the advice and consent of the Senate, and the Secretary of the Department of
23 Commerce, who shall serve as a non-voting member.

24
25 SECTION 310. Arkansas Code § 15-5-203(b) and (c), concerning the board
26 officers and employees of the Arkansas Development Finance Authority, are
27 amended to read as follows:

28 (b) The board shall also employ, with the approval of the Secretary of
29 the Department of Commerce, a president who shall serve at the will of the
30 ~~Governor~~ secretary.

31 (c) The board shall coordinate with the secretary to appoint and
32 employ such additional officers, accountants, financial advisors or experts,
33 bond counsel, or other attorneys, agents, and employees as it may require and
34 shall determine their qualifications, duties, and compensation. Periodically,
35 the Arkansas Development Finance Authority will review selection of bond
36 counsel or other attorneys to ensure that legal representatives are selected

1 in a manner that will provide the authority with competent, economical legal
2 representation that furthers the best interest of the authority.

3
4 SECTION 311. Arkansas Code § 15-5-207(b)(7), concerning the rights,
5 powers, privileges, and duties of the Arkansas Development Finance Authority,
6 is repealed.

7 ~~(7) To appoint officers, agents, and employees, prescribe their~~
8 ~~duties and qualifications, and fix their compensation;~~

9
10 SECTION 312. Arkansas Code § 15-5-210(a), concerning the annual report
11 by the Arkansas Development Finance Authority, is amended to read as follows:

12 (a) On or before January 31 of each year, the Arkansas Development
13 Finance Authority shall make an annual report of its activities for the
14 preceding fiscal year to the ~~Governor~~ Secretary of the Department of Commerce
15 and to the General Assembly.

16
17 SECTION 313. Arkansas Code § 15-5-212(a), concerning approval by the
18 Legislative Council for certain hires or selections by the Arkansas
19 Development Finance Authority, is amended to read as follows:

20 (a) The Arkansas Development Finance Authority or the Secretary of the
21 Department of Commerce on behalf of the Arkansas Development Finance
22 Authority shall not employ or select any investment banker, consultant,
23 professional financial advisor, or attorney unless the selection criteria to
24 be used in the selection have been submitted to the Legislative Council for
25 review.

26
27 SECTION 314. Arkansas Code § 15-5-213(b), concerning the Correction
28 Facilities Construction Fund, is amended to read as follows:

29 (b) The fund shall receive moneys payable from the Treasurer of State
30 in accordance with § 15-5-422. All moneys deposited into the fund and all
31 income, interest, and earnings therefrom are declared to be cash funds
32 restricted in their use and dedicated and are to be used solely for
33 acquisition and construction of regional correction facilities for use by the
34 ~~Department~~ Division of Correction, specifically including a regional
35 correction facility in Chicot County, which facility will be leased to and
36 utilized by the ~~department~~ division.

1
2 SECTION 315. Arkansas Code § 15-5-213(e)(1)(A), concerning the
3 Correction Facilities Privatization Account, is amended to read as follows:

4 (A) Moneys payable from funds in the ~~department~~ division
5 as established in § 12-27-128;

6
7 SECTION 316. Arkansas Code § 15-5-213(e)(1)(C), concerning the
8 Correction Facilities Privatization Account, is amended to read as follows:

9 (C) Such cash funds of the ~~department~~ division as are
10 deemed necessary by the Chief Fiscal Officer of the State for the purposes
11 established herein.

12
13 SECTION 317. Arkansas Code § 15-5-213(e)(2), concerning the Correction
14 Facilities Privatization Account, is amended to read as follows:

15 (2) All moneys deposited into the Correction Facilities
16 Privatization Account and all income, interest, and earnings therefrom are
17 declared to be cash funds restricted in their use and dedicated to be used
18 solely for acquisition, construction, and rehabilitation of correction
19 facilities for the use and benefit of the ~~department~~ division or for payments
20 to private contractors for the use of correction facilities by the ~~department~~
21 division.

22
23 SECTION 318. Arkansas Code § 15-5-214(b), concerning a criminal
24 background check by the Arkansas Development Finance Authority, is amended to
25 read as follows:

26 (b) The criminal background check shall be performed through the
27 Identification Bureau of the ~~Department~~ Division of Arkansas State Police and
28 the Federal Bureau of Investigation.

29
30 SECTION 319. Arkansas Code § 15-5-1603(8), concerning the definition
31 of "Venture Capital Investment Trust" under the Arkansas Risk Capital
32 Matching Fund Act of 2007, is amended to read as follows:

33 (8) "Venture Capital Investment Trust" means the public trust
34 formed July 21, 2003, under § 28-72-201 et seq., the trustees of which are
35 the President of the Arkansas Development Finance Authority, the ~~Executive~~
36 Director of the Arkansas Economic Development Commission, and the ~~Director~~

1 Secretary of the Department of Finance and Administration, or his or her
2 designee, and that has as a principal purpose increasing the availability of
3 equity capital and near-equity capital for emerging and expanding enterprises
4 in the State of Arkansas.

5
6 SECTION 320. Arkansas Code § 15-5-1707(b)(4), concerning the roles and
7 responsibilities of the Arkansas Housing Trust Fund Advisory Committee, is
8 amended to read as follows:

9 (4) Prepare, working with the staff of the authority or the
10 Department of Commerce, an annual review of the rules, compliance
11 responsibilities, set-asides, funding priorities, and funding decisions,
12 including any recommended changes, which review shall be presented to the
13 board for final approval; and

14
15 SECTION 321. Arkansas Code § 15-6-104(e), concerning the creation of
16 the Arkansas Rural Development Commission, is amended to read as follows:

17 (e) The Arkansas Rural Development Commission shall advise and assist
18 the ~~Executive~~ Director of the Arkansas Economic Development Commission in the
19 performance of his or her duties under this subchapter.

20
21 SECTION 322. Arkansas Code § 15-6-105 is amended to read as follows:

22 15-6-105. Rural Services Division of the Arkansas Economic Development
23 Commission.

24 (a) There is created the Rural Services Division of the Arkansas
25 Economic Development Commission.

26 (b) The head of the division shall be the ~~Executive~~ Director of the
27 Arkansas Economic Development Commission.

28 ~~(c) The division shall employ necessary staff to carry out the duties~~
29 ~~and functions of the division as otherwise provided in this chapter or as~~
30 ~~otherwise provided by law.~~

31 ~~(d)~~ The Governor shall direct that all state agencies provide the
32 ~~executive~~ director with assistance in advancing the purpose of the division
33 to assure that the activities of the division are fully coordinated with the
34 activities of state agencies providing related services.

35
36 SECTION 323. Arkansas Code § 15-6-106(a) and (b), concerning the

1 functions, powers, and duties of the Executive Director of the Arkansas
2 Economic Development Commission, are amended to read as follows:

3 (a) The ~~Executive~~ Director of the Arkansas Economic Development
4 Commission by and through the Rural Services Division of the Arkansas
5 Economic Development Commission shall have the following functions, powers,
6 and duties:

7 (1) To serve as a clearinghouse and provide comprehensive
8 information relating to rural development and revitalization upon request to
9 any agency, individual, or corporation;

10 (2) To advise and assist agencies, individuals, and corporations
11 in answering particular rural revitalization and development needs, including
12 cooperative efforts among such agencies, individuals, and corporations to
13 solve common problems or provide services in these areas;

14 (3)(A) To receive notification from all state and federal
15 agencies, individuals, or corporations engaged in rural development and
16 revitalization of program descriptions, appropriation data, and application
17 procedures.

18 (B) The division shall maintain a listing of existing
19 programs and advise local agencies, individuals, or corporations of their
20 existence;

21 (4) To assist, upon request, applicant local agencies,
22 individuals, or corporations located in rural areas in obtaining timely and
23 efficient responses from state and federal agencies, to assist such
24 applicants in consideration of alternative program grant strategies, to
25 assist state and federal agencies in cooperative approaches to address the
26 needs of such applicants, and to provide technical assistance to agencies in
27 formulating and implementing rural development and revitalization programs;

28 (5) To assist the ~~Governor~~ Secretary of the Department of
29 Commerce and the General Assembly in the integration and formulation of state
30 rural development and revitalization policy and long-range plans for rural
31 areas and in answering needs related thereto;

32 (6) To analyze and make recommendations concerning proposed new
33 state legislation or programs that may affect rural areas;

34 (7) To apply for and receive grants or financial assistance from
35 the federal government or other agencies, individuals, or corporations;

36 (8) To assist the ~~Governor~~ secretary in coordinating the

1 activities and services of those departments and agencies of the state having
2 relationships with local rural agencies, individuals, and corporations in
3 order to provide more effective service to them and to simplify state
4 procedures relating thereto;

5 (9) To keep the ~~Governor~~ secretary informed about the problems
6 and needs of agencies, individuals, and corporations that are involved with
7 rural development and revitalization and to assist in formulating policies
8 with respect thereto and utilizing the resources of state government for the
9 benefit of rural areas;

10 (10) To promote and encourage the establishment of a nonprofit
11 foundation, a Center for Rural Arkansas, and to cooperate and coordinate with
12 and assist the center in accessing state and federal government and private
13 nonprofit and corporate foundation grant funds to aid in rural development
14 and revitalization for rural Arkansas; and

15 (11) To administer the conservation education programs
16 established under § 6-16-1101 for the benefit of all school districts and
17 conservation districts in the state, regardless of population.

18 (b) The ~~executive~~ director may prescribe and issue, pursuant to the
19 Arkansas Administrative Procedure Act, § 25-15-201 et seq., such reasonable
20 rules as may be necessary to carry out the provisions of this chapter.

21
22 SECTION 324. Arkansas Code § 15-6-107(a), concerning assistance
23 programs and grants for the Rural Services Division of the Arkansas Economic
24 Development Commission, is amended to read as follows:

25 (a) The Rural Services Division of the Arkansas Economic Development
26 Commission shall request such specific information as the ~~Executive~~ Director
27 of the Arkansas Economic Development Commission determines to be necessary
28 concerning assistance programs and grants administered by federal, state, and
29 local agencies, individuals, and corporations designed to enhance rural
30 areas. The information shall be used to advise local agencies, individuals,
31 or corporations for the purpose of promoting coordination in program or grant
32 efforts wherever feasible or proper.

33
34 SECTION 325. The introductory language of Arkansas Code § 15-6-107(c),
35 concerning assistance programs and grants for the Rural Services Division of
36 the Arkansas Economic Development Commission, is amended to read as follows:

1 (c) The division, so far as possible, shall render such assistance,
2 and the ~~executive~~ director may designate an officer or employee of the
3 division to act as an expediter for the purpose of:
4

5 SECTION 326. Arkansas Code § 15-11-503(1) and (2), concerning the
6 definitions of "agreement" and "approved company" under the Arkansas Tourism
7 Development Act, are amended to read as follows:

8 (1) "Agreement" means an agreement entered into pursuant to §
9 15-11-506 by and between the ~~Executive~~ Director of the Arkansas Economic
10 Development Commission and an approved company with respect to a tourism
11 attraction project;

12 (2) "Approved company" means any eligible company that is
13 seeking to undertake a tourism attraction project and is approved by the
14 ~~executive~~ director pursuant to §§ 15-11-505 and 15-11-506;
15

16 SECTION 327. Arkansas Code § 15-11-503(4), concerning the definition
17 of "eligible company" under the Arkansas Tourism Development Act, is amended
18 to read as follows:

19 (4) "Eligible company" means any corporation, limited liability
20 company, partnership, registered limited liability partnership, sole
21 proprietorship, business trust, or any other entity that invests a minimum of
22 five hundred thousand dollars (\$500,000) in a high-unemployment county or one
23 million dollars (\$1,000,000) in any other county for the purpose of
24 constructing, operating, or intending to operate a tourism attraction
25 project, whether owned or leased, within the state that meets the standards
26 promulgated by the ~~executive~~ director pursuant to § 15-11-504;
27

28 SECTION 328. Arkansas Code § 15-11-503(5), concerning the definition
29 of "executive director" under the Arkansas Tourism Development Act, is
30 repealed.

31 ~~(5) "Executive director" means the Executive Director of the~~
32 ~~Arkansas Economic Development Commission or the executive director's~~
33 ~~designated representative;~~
34

35 SECTION 329. Arkansas Code § 15-11-503(7), concerning the definition
36 of "high unemployment" under the Arkansas Tourism Development Act, is amended

1 to read as follows:

2 (7)(A) "High unemployment" means an unemployment rate equal to
3 or in excess of one hundred fifty percent (150%) of the state's average
4 unemployment rate for the preceding calendar year as specified by statewide
5 annual labor force statistics compiled by the ~~Department~~ Division of
6 Workforce Services when the state's annual average unemployment rate is six
7 percent (6%) or below.

8 (B) When the state's annual average unemployment rate is
9 above six percent (6%), "high unemployment" means equal to or in excess of
10 three percent (3%) above the state's average unemployment rate for the
11 preceding calendar year as specified by statewide annual labor force
12 statistics compiled by the ~~Department of Workforce Services~~ division;
13

14 SECTION 330. Arkansas Code § 15-11-504(a) and (b), concerning the
15 evaluation standards of applications for tourism attraction projects, are
16 amended to read as follows:

17 (a) The ~~Executive~~ Director of the Arkansas Economic Development
18 Commission shall establish standards for the making of applications for
19 inducements to eligible companies and their tourism attraction projects by
20 the promulgation of administrative regulations in accordance with the
21 Arkansas Administrative Procedure Act, § 25-15-201 et seq.

22 (b) With respect to each eligible company making an application to the
23 ~~executive~~ director for inducements and with respect to the tourism attraction
24 project described in the application, the ~~executive~~ director shall make
25 inquiries and request materials of the applicant that shall include, but
26 shall not be limited to:

27 (1) Marketing plans for the tourism attraction project that
28 target individuals who are not residents of the state;

29 (2) A description and location of the tourism attraction
30 project;

31 (3) Capital and other anticipated expenditures for the tourism
32 attraction project that indicate that the total cost of the tourism
33 attraction project shall exceed five hundred thousand dollars (\$500,000) in a
34 high-unemployment county and one million dollars (\$1,000,000) in all other
35 counties and the anticipated sources of funding for the tourism attraction
36 project;

1 (4) The anticipated employment and wages to be paid at the
2 tourism attraction project;

3 (5) Business plans which indicate the average number of days in
4 a year in which the tourism attraction project will be in operation and open
5 to the public; and

6 (6) The anticipated revenues and expenses generated by the
7 tourism attraction project.

8
9 SECTION 331. Arkansas Code § 15-11-505 is amended to read as follows:
10 15-11-505. Standards for preliminary and final approval of companies
11 and projects.

12 (a) The ~~Executive~~ Director of the Arkansas Economic Development
13 Commission shall establish standards for final approval of eligible companies
14 and their tourism attraction projects by the promulgation of administrative
15 regulations in accordance with the Arkansas Administrative Procedure Act, §
16 25-15-201 et seq.

17 (b) The ~~Executive~~ Director of the Arkansas Economic Development
18 Commission shall obtain the review and advice of the Director of the
19 ~~Department~~ Division of Parks and Tourism prior to designating an entity as an
20 approved company eligible for the tourism incentive.

21 (c) The ~~Executive~~ Director of the Arkansas Economic Development
22 Commission may give approval by designating an eligible company as an
23 approved company and authorizing the undertaking of the tourism attraction
24 project.

25 (d) The ~~Executive~~ Director of the Arkansas Economic Development
26 Commission shall review the information that has been made available to the
27 ~~Executive~~ Director of the Arkansas Economic Development Commission in order
28 to determine whether the tourism attraction project will further the purposes
29 of this subchapter.

30 (e) The criteria for final approval of eligible companies and tourism
31 attraction projects shall include, but shall not be limited to, the criteria
32 set forth in § 15-11-504(c).

33 (f) After a review of the relevant materials, other information made
34 available to the ~~Executive~~ Director of the Arkansas Economic Development
35 Commission, the completion of other inquiries, and the review and advice of
36 the Director of the ~~Department~~ Division of Parks and Tourism, the ~~Executive~~

1 Director of the Arkansas Economic Development Commission may give final
2 approval to the eligible company's application for a tourism attraction
3 project and may grant the approval to the eligible company in the form of a
4 financial incentive agreement.

5
6 SECTION 332. Arkansas Code § 15-11-506(a), concerning contracts with
7 the Arkansas Economic Development Commission for tourism attraction projects,
8 is amended to read as follows:

9 (a) Upon granting final approval, the ~~Executive~~ Director of the
10 Arkansas Economic Development Commission may enter into an agreement with an
11 approved company with respect to its tourism attraction project.

12
13 SECTION 333. Arkansas Code § 15-11-506(b)(1), concerning contracts
14 with the Arkansas Economic Development Commission for tourism attraction
15 projects, is amended to read as follows:

16 (1) The amount of approved costs, which shall be determined by
17 negotiations between the ~~Executive Director of the Arkansas Economic~~
18 ~~Development Commission~~ director and the approved company;

19
20 SECTION 334. Arkansas Code § 15-11-506(b)(2)(B), concerning contracts
21 with the Arkansas Economic Development Commission for tourism attraction
22 projects, is amended to read as follows:

23 (B) Within three (3) months of the completion date, the
24 approved company shall document the actual cost of the tourism attraction
25 project through a certification of such costs by an independent certified
26 public accountant acceptable to the ~~Executive Director of the Arkansas~~
27 ~~Economic Development Commission~~ director; and

28
29 SECTION 335. Arkansas Code § 15-11-506(b)(3)(A)(ii), concerning
30 contracts with the Arkansas Economic Development Commission for tourism
31 attraction projects, is amended to read as follows:

32 (ii) However, the term of the agreement may be
33 extended for up to two (2) additional years by the ~~Executive Director of the~~
34 ~~Arkansas Economic Development Commission~~ director with the advice and consent
35 of the ~~Director~~ Secretary of the Department of Finance and Administration, if
36 the ~~Executive Director of the Arkansas Economic Development Commission~~

1 director determines that:

2 (a) The failure to complete the tourism attraction
3 project within two (2) years resulted from unanticipated and unavoidable
4 delay in the construction of the tourism attraction project;

5 (b) The tourism attraction project as originally
6 planned will require more than two (2) years to complete; or

7 (c) The failure to complete the tourism attraction
8 project within two (2) years resulted from a merger, acquisition, or other
9 change in business ownership or business structure;

10
11 SECTION 336. Arkansas Code § 15-11-506(b)(3)(C), concerning contracts
12 with the Arkansas Economic Development Commission for tourism attraction
13 projects, is amended to read as follows:

14 (C) Within forty-five (45) days after the end of each
15 calendar year, the approved company shall supply the ~~Executive Director of~~
16 ~~the Arkansas Economic Development Commission~~ director with such reports and
17 certifications as the ~~Executive Director of the Arkansas Economic Development~~
18 ~~Commission~~ director may request, demonstrating to the satisfaction of the
19 ~~Executive Director of the Arkansas Economic Development Commission~~ director
20 that the approved company is in compliance with the provisions of this
21 subchapter; and

22
23 SECTION 337. Arkansas Code § 15-11-506(d) and (e), concerning
24 contracts with the Arkansas Economic Development Commission for tourism
25 attraction projects, are amended to read as follows:

26 (d) If the approved company utilizes sales tax credits which are
27 subsequently disallowed, then the approved company will be liable for the
28 payment to the ~~Director~~ Secretary of the Department of Finance and
29 Administration of all taxes resulting from the disallowance of the credits,
30 plus applicable penalties and interest.

31 (e) The ~~Executive Director of the Arkansas Economic Development~~
32 ~~Commission~~ director shall provide a copy of each agreement entered into with
33 an approved company to the ~~Director~~ Secretary of the Department of Finance
34 and Administration.

35
36 SECTION 338. Arkansas Code § 15-11-507(a) and (b), concerning tourism

1 attraction project sales tax credits, are amended to read as follows:

2 (a) Upon receiving notification from the ~~Executive~~ Director of the
3 Arkansas Economic Development Commission that an approved company has entered
4 into a tourism attraction project agreement and is entitled to the sales tax
5 credits provided by this subchapter, the ~~Director~~ Secretary of the Department
6 of Finance and Administration shall provide the approved company with such
7 forms and instructions as are necessary to claim those credits.

8 (b)(1)(A)(i)(a) An approved company shall be entitled to a credit if
9 the approved company certifies to the ~~Director~~ Secretary of the Department of
10 Finance and Administration that it has expended at least five hundred
11 thousand dollars (\$500,000) in a high-unemployment county and one million
12 dollars (\$1,000,000) in all other counties in approved costs and the
13 ~~Executive Director of the Arkansas Economic Development Commission~~ director
14 certifies that the approved company is in compliance with this subchapter.

15 (b)(1) The ~~Director~~ Secretary of the
16 Department of Finance and Administration shall then issue a sales tax credit
17 memorandum to the approved company equal to fifteen percent (15%) of the
18 approved costs.

19 (2) However, in high-unemployment
20 counties the ~~Director~~ Secretary of the Department of Finance and
21 Administration shall issue a credit memorandum to the approved company equal
22 to twenty-five percent (25%) of the approved costs.

23 (c) The sales tax credit memorandum shall not
24 include an offset of the tourism tax levied under § 26-63-401 et seq.

25 (ii) Subsequent requests for credit for additional
26 certified approved costs shall be filed with the Department of Finance and
27 Administration during the term of the agreement.

28 (B)(i) The ~~Director~~ Secretary of the Department of Finance
29 and Administration may require proof of expenditures.

30 (ii) Additional credit memoranda may be issued as
31 the approved company certifies additional expenditures of approved costs.

32 (2)(A) No sales tax credit memorandum shall be issued for any
33 approved costs expended after the expiration of two (2) years from the date
34 the agreement was signed by the ~~Executive Director of the Arkansas Economic~~
35 ~~Development Commission~~ director and the approved company.

36 (B) However, the ~~Executive Director of the Arkansas~~

1 ~~Economic Development Commission~~ director, with the advice and consent of the
 2 ~~Director~~ Secretary of the Department of Finance and Administration, may
 3 authorize sales tax credits for approved costs expended up to four (4) years
 4 from the date the agreement was signed if the ~~Executive Director of the~~
 5 ~~Arkansas Economic Development Commission~~ director determines that the failure
 6 to complete the tourism attraction project within two (2) years resulted
 7 from:

8 (i) Unanticipated and unavoidable delay in the
 9 construction of the tourism attraction project;

10 (ii) The tourism attraction project, as originally
 11 planned, will require more than two (2) years to complete; or

12 (iii) A change in business ownership or business
 13 structure resulting from a merger or acquisition.

14
 15 SECTION 339. Arkansas Code § 15-11-507(e)-(g), concerning tourism
 16 attraction project sales tax credits, are amended to read as follows:

17 (e) By April 1 of each year, the ~~Director~~ Secretary of the Department
 18 of Finance and Administration shall certify to the ~~Executive Director of the~~
 19 ~~Arkansas Economic Development Commission~~ director the state sales tax
 20 liability of the approved companies receiving inducements under this section
 21 and the amount of state sales tax credits taken during the preceding calendar
 22 year.

23 (f)(1) The ~~Director~~ Secretary of the Department of Finance and
 24 Administration may promulgate administrative regulations as are necessary for
 25 the proper administration of this subchapter.

26 (2) The ~~Director~~ Secretary of the Department of Finance and
 27 Administration may also develop such forms and instructions as are necessary
 28 for an approved company to claim the sales tax credit provided by this
 29 subchapter.

30 (g)(1) The ~~Director~~ Secretary of the Department of Finance and
 31 Administration shall have the authority to obtain any information necessary
 32 from the approved company and the ~~Executive Director of the Arkansas Economic~~
 33 ~~Development Commission~~ director to verify that approved companies have
 34 received the proper amounts of sales tax credits as authorized by this
 35 subchapter.

36 (2) The ~~Director~~ Secretary of the Department of Finance and

1 Administration shall demand the repayment of any credits taken in excess of
2 the credit allowed by this subchapter.

3
4 SECTION 340. Arkansas Code § 15-11-509(b), concerning an income tax
5 credit for tourism attraction projects, is amended to read as follows:

6 (b) Upon notification from the ~~Executive~~ Director of the Arkansas
7 Economic Development Commission that an approved company has entered into a
8 tourism attraction project agreement and is entitled to the income tax credit
9 provided by this section, the ~~Director~~ Secretary of the Department of Finance
10 and Administration shall provide the approved company with such forms and
11 instructions as are necessary to claim those credits.

12
13 SECTION 341. Arkansas Code § 15-11-511(d)(1)-(3), concerning special
14 rules and qualified amusement parks, are amended to read as follows:

15 (d)(1) Notwithstanding the other provisions of this subchapter, a
16 qualified amusement park that on or after January 1, 2006, enters into an
17 agreement that provides that the qualified amusement park shall expend
18 approved costs of more than one million dollars (\$1,000,000) shall be
19 entitled to a sales tax credit if the qualified amusement park certifies to
20 the ~~Director~~ Secretary of the Department of Finance and Administration that
21 it has expended at least one million dollars (\$1,000,000) in approved costs
22 and the ~~Executive~~ Director of the Arkansas Economic Development Commission
23 certifies that the qualified amusement park is in compliance with this
24 subchapter.

25 (2) The ~~Director~~ Secretary of the Department of Finance and
26 Administration shall then issue a sales tax credit memorandum to the
27 qualified amusement park equal to twenty-five percent (25%) of the approved
28 costs. The sales tax credit memorandum may be used to offset the liability of
29 the qualified amusement park for:

30 (A) Gross receipts tax levied under the Arkansas Gross
31 Receipts Act of 1941, § 26-52-101 et seq.; and

32 (B) Tourism gross receipts tax levied under § 26-52-1001
33 et seq. [repealed].

34 (3) The ~~Director~~ Secretary of the Department of Finance and
35 Administration may require proof of expenditures.

36

1 SECTION 342. Arkansas Code § 15-11-511(d)(5), concerning special rules
2 and qualified amusement parks, is amended to read as follows:

3 (5)(A) No sales tax credit memorandum shall be issued for any
4 approved costs expended after the expiration of two (2) years from the date
5 the agreement was signed by the ~~Executive Director of the Arkansas Economic~~
6 ~~Development Commission~~ director and the qualified amusement park.

7 (B) However, the ~~Director~~ Secretary of the Department of
8 Finance and Administration, with the advice and consent of the ~~Executive~~
9 ~~Director of the Arkansas Economic Development Commission~~ director, may
10 authorize sales tax credits for approved costs expended up to four (4) years
11 from the date the agreement was signed if the ~~Executive Director of the~~
12 ~~Arkansas Economic Development Commission~~ director determines that the failure
13 to complete the tourism attraction project within two (2) years resulted
14 from:

15 (i) Unanticipated and unavoidable delay in the
16 construction of the tourism attraction project;

17 (ii) The tourism attraction project, as originally
18 planned, will require more than two (2) years to complete; or

19 (iii) A change in business ownership or business
20 structure resulting from a merger or an acquisition.

21
22 SECTION 343. Arkansas Code § 15-11-511(d)(8), concerning special rules
23 and qualified amusement parks, is amended to read as follows:

24 (8) By April 1 of each year, the ~~Director~~ Secretary of the
25 Department of Finance and Administration shall certify to the ~~Executive~~
26 ~~Director of the Arkansas Economic Development Commission~~ director the state
27 sales tax liability of the qualified amusement parks receiving inducements
28 under this section and the amount of state sales tax credits taken during the
29 preceding calendar year.

30
31 SECTION 344. Arkansas Code § 15-23-203 is amended to read as follows:

32 15-23-203. Employees.

33 The Arkansas Waterways Commission may employ ~~an Executive~~ a Director of
34 the Arkansas Waterways Commission ~~and such other employees~~ as authorized by
35 law and fix the ~~salaries thereof~~ salary of the director within the
36 limitations of funds appropriated therefor to assist the commission in the

1 performance of its duties under this subchapter.

2
3 SECTION 345. Arkansas Code § 16-93-308(h)(1), concerning the
4 revocation of probation, is amended to read as follows:

5 (h)(1) A court shall not revoke a suspension of sentence or probation
6 because of a person's inability to achieve a high school diploma, high school
7 equivalency diploma approved by the Adult Education Section of the Division
8 of Workforce Services, or gainful employment.

9
10 SECTION 346. Arkansas Code § 16-93-308(h)(2)(A), concerning the
11 revocation of probation, is amended to read as follows:

12 (2)(A) However, the court may revoke a suspension of sentence or
13 probation if the person fails to make a good faith effort to achieve a high
14 school diploma, high school equivalency diploma approved by the Adult
15 Education Section of the Division of Workforce Services, or gainful
16 employment.

17
18 SECTION 347. Arkansas Code § 16-93-308(h)(2)(B)(i), concerning the
19 revocation of probation, is amended to read as follows:

20 (i) Has been enrolled in a program of instruction
21 leading to a high school diploma or a high school equivalency diploma
22 approved by the Adult Education Section of the Division of Workforce Services
23 and is attending a school or an adult education course; or

24
25 SECTION 348. Arkansas Code § 17-38-401(3), concerning the definition
26 of "department" under the apprentice plumber program, is repealed.

27 ~~(3) "Department" means the Department of Career Education.~~

28
29 SECTION 349. Arkansas Code § 17-25-402(b)(1), concerning the expenses
30 and disposition of funds of the Contractors Licensing Board, is amended to
31 read as follows:

32 (b)(1) All taxes, premiums, contributions, penalties, interest, and
33 fines collected pursuant to this subchapter, except enforcement penalties,
34 shall be distributed pro rata, based upon the amount of taxes, premiums, and
35 contributions due to the Department of Finance and Administration, the
36 ~~Department~~ Division of Workforce Services, the Workers' Compensation

1 Commission, or any city, county, or school district, or any other state
2 agency or other political subdivision of the state, first to the extent of
3 any taxes, premiums, and contributions due with any remainder applied to
4 interest, penalties, and fines, in that order.

5
6 SECTION 350. Arkansas Code § 17-25-406(a)(1), concerning the notice of
7 bond cancellation, is amended to read as follows:

8 (a)(1) Notice of bond cancellation shall be given to the Contractors
9 Licensing Board in writing sixty (60) days before cancellation. The board
10 shall notify the Department of Finance and Administration, the ~~Department~~
11 Division of Workforce Services, and the Workers' Compensation Commission of
12 the notice of cancellation.

13
14 SECTION 351. Arkansas Code § 17-25-404(b)(3), concerning bond filing
15 and terms with the Contractors Licensing Board, is amended to read as
16 follows:

17 (3) Conditioned on the contractor's complying with the tax laws
18 of the State of Arkansas and, when applicable, the ordinances, rules, and
19 regulations of any city, county, school district, state agency, or other
20 political subdivision of the state, the ~~Department~~ Division of Workforce
21 Services Law, § 11-10-101 et seq., the Workers' Compensation Law, § 11-9-101
22 et seq., and the provisions of this subchapter.

23
24 SECTION 352. Arkansas Code § 17-38-402(3)(A), concerning the powers of
25 the Career Education and Workforce Development Board, is amended to read as
26 follows:

27 (A) The ~~Department of Career Education~~ Office of Skills
28 Development;

29
30 SECTION 353. Arkansas Code § 17-38-402(4)(A) and (B), concerning the
31 powers of the Career Education and Workforce Development Board, are amended
32 to read as follows:

33 (A) The ~~Department of Education~~ United States Department
34 of Labor will maintain the responsibility for a correspondence course.
35 However, the ~~Department of Education~~ United States Department of Labor shall
36 delegate the administration of the correspondence course to the ~~Department of~~

1 ~~Career Education~~ Office of Skills Development;

2 (B) The correspondence course material shall be developed
3 by the ~~Department of Education~~ Division of Elementary and Secondary
4 Education, subject to the approval of the State Apprenticeship Committee and
5 the Department of Health, and made available and to be implemented by the
6 local apprenticeship committee; and

7
8 SECTION 354. Arkansas Code § 17-38-403(c), concerning the State
9 Apprenticeship Committee, is amended to read as follows:

10 (c) The Director of the ~~Department of Career Education~~ Office of
11 Skills Development or his or her designee shall serve as a nonvoting advisory
12 member to the committee.

13
14 SECTION 355. Arkansas Code § 17-38-407 is amended to read as follows:
15 17-38-407. Fees for correspondence courses.

16 The ~~Department of Career Education~~ Office of Skills Development is
17 authorized to charge reasonable fees to those persons approved for
18 correspondence courses for the costs of development, procurement,
19 administration, and material associated with the correspondence course.

20
21 SECTION 356. Arkansas Code § 17-38-408 is amended to read as follows:
22 17-38-408. Disposition of fees and payments – Uses of funds.

23 (a) All fees or payments of any type collected by the ~~Department of~~
24 ~~Career Education~~ Office of Skills Development under this subchapter shall be
25 deposited into the State Treasury on or before the fifth day of the month
26 next following the month of collection of the fees or payments. The Treasurer
27 of State shall credit the fees or payments to the credit of the Apprentice
28 Plumbers Training Fund which is hereby created on the books of the Treasurer
29 of State.

30 (b) All funds deposited into the Apprentice Plumbers Training Fund
31 shall be used for the maintenance, operation, and improvement of the
32 apprentice plumbers training program administered by the ~~department~~ office.

33
34 SECTION 357. Arkansas Code § 19-4-803(a)(5), concerning exemptions
35 under the accounting and budgetary procedures regarding the expenditure of
36 cash funds, is amended to read as follows:

1 (5) The Benefit Fund of the ~~Department~~ Division of Workforce
2 Services;

3
4 SECTION 358. Arkansas Code § 19-5-701 is amended to read as follows:
5 19-5-701. Purpose.

6 It is the purpose of this subchapter that all programs, regardless of
7 their funding source, contribute equally to the cost of unemployment
8 compensation benefits charged to the state agencies operating such programs.
9 It is not the intent of this subchapter that the State of Arkansas relinquish
10 its status as a nontaxable reimbursable employer under the ~~Department~~
11 Division of Workforce Services Law, § 11-10-101 et seq.

12
13 SECTION 359. Arkansas Code § 19-5-702(1), concerning the definition of
14 "contribution" under the laws governing the reimbursement of unemployment
15 compensation benefits, is amended to read as follows:

16 (1) "Contribution" means a percentage of payroll expenditures
17 paid to the Unemployment Compensation Revolving Fund by a state agency in
18 order to provide current and timely reimbursements of benefits paid by the
19 ~~Department~~ Division of Workforce Services Law, § 11-10-101 et seq., for
20 unemployment benefits charged to the agency;

21
22 SECTION 360. Arkansas Code § 19-5-704(b), concerning the
23 administration reimbursement of unemployment compensation benefits, is
24 amended to read as follows:

25 (b) Upon certification to the Chief Fiscal Officer of the State by the
26 ~~Department~~ Division of Workforce Services of unemployment compensation
27 benefits paid during a benefit period and charged to a state agency, the
28 Chief Fiscal Officer of the State shall direct that reimbursement be made to
29 the ~~department~~ division from the Unemployment Compensation Revolving Fund for
30 such amounts as are properly certified.

31
32 SECTION 361. Arkansas Code § 19-5-706(c), concerning the Unemployment
33 Compensation Revolving Fund, is amended to read as follows:

34 (c) The funds shall be used to reimburse the ~~Department~~ Division of
35 Workforce Services, in a timely manner, for unemployment compensation
36 benefits paid by the ~~department~~ division and charged to a state agency, as

1 provided in this subchapter and other laws applicable to state employees'
2 unemployment compensation and for such other purposes as may be authorized by
3 law.

4
5 SECTION 362. Arkansas Code § 19-5-709(a), loans to the Unemployment
6 Compensation Revolving Fund, is amended to read as follows:

7 (a) In the event that the Unemployment Compensation Revolving Fund
8 does not have sufficient funds available from contributions by state agencies
9 to make reimbursement to the ~~Department~~ Division of Workforce Services for
10 benefits paid, loans may be made from the Budget Stabilization Trust Fund to
11 make such payments.

12
13 SECTION 363. Arkansas Code § 19-5-912 is amended to read as follows:
14 19-5-912. ~~Department~~ Division of Workforce Services Trust Fund.

15 (a) There is established on the books of the Treasurer of State, the
16 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
17 be known as the "~~Department~~ Division of Workforce Services Trust Fund".

18 (b) The fund shall consist of such revenues as may be authorized by
19 the federal government for support of various programs within the ~~Department~~
20 Division of Workforce Services, any interest accruing on these revenues, and
21 any other funds made available by the General Assembly.

22 (c) The fund shall be used for the payment of program expenses of the
23 ~~department~~ division.

24
25 SECTION 364. Arkansas Code § 19-5-939(c), concerning the Unemployment
26 Compensation Revolving Fund, is amended to read as follows:

27 (c) The funds shall be used to reimburse the ~~Department~~ Division of
28 Workforce Services, in a timely manner, for unemployment compensation
29 benefits paid by the ~~department~~ division and charged to a state agency, as
30 provided in § 19-5-701 et seq., and other laws applicable to state employees'
31 unemployment compensation and for such other purposes as may be authorized by
32 law.

33
34 SECTION 365. Arkansas Code § 19-5-984 is amended to read as follows:
35 19-5-984. ~~Department~~ Division of Workforce Services Special Fund.

36 (a) There is established on the books of the Treasurer of State, the

1 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
2 known as the "~~Department~~ Division of Workforce Services Special Fund".

3 (b)(1) The fund shall consist of unemployment compensation
4 contribution interest and penalty payments collected under §§ 11-10-716 – 11-
5 10-723 and interest and penalty payments on overpayments collected under §
6 11-10-532.

7 (2) The fund shall be used for refunds of interest and penalties
8 erroneously paid and other additional purposes necessary to the proper
9 administration of the ~~Department~~ Division of Workforce Services Law, § 11-10-
10 101 et seq., as determined by the Director of the ~~Department~~ Division of
11 Workforce Services under §§ 11-10-532 and 11-10-716 – 11-10-723.

12 (c) The director shall report to the Legislative Council on a
13 quarterly basis on all uses of the fund.

14
15 SECTION 366. Arkansas Code § 19-5-999(a), concerning the Individual
16 Development Account Trust Fund, is amended to read as follows:

17 (a) There is created on the books of the Treasurer of State, the
18 Auditor of State, and the Chief Fiscal Officer of the State a trust fund for
19 the ~~Department~~ Division of Workforce Services to be designated the
20 "Individual Development Account Trust Fund".

21
22 SECTION 367. Arkansas Code § 19-5-1097(b), concerning the Public Roads
23 Incentive Fund, is amended to read as follows:

24 (b) The fund shall consist of contributions made by taxpayers for
25 public roads projects approved by the ~~Executive~~ Director of the Arkansas
26 Economic Development Commission and any other funds as are designated or
27 deposited into the fund by law.

28
29 SECTION 368. Arkansas Code § 19-5-1097(c)(2), concerning the Public
30 Roads Incentive Fund, is amended to read as follows:

31 (2) Any contributions which remain in the fund when a project is
32 completed or terminated shall be held and applied to other public roads
33 projects in such manner as the ~~executive~~ director shall direct.

34
35 SECTION 369. Arkansas Code § 19-5-1131 is amended to read as follows:
36 19-5-1131. ~~Department~~ Division of Workforce Services Training Trust

1 Fund.

2 (a) There is established on the books of the Treasurer of State, the
3 Auditor of State, and the Chief Fiscal Officer of the State a trust fund to
4 be known as the "~~Department~~ Division of Workforce Services Training Trust
5 Fund".

6 (b)(1) The fund shall consist of the proceeds of the stabilization tax
7 specified in § 11-10-706(f), any interest accruing on these revenues, and any
8 other funds made available by the General Assembly.

9 (2) The fund shall be used for worker training under rules and
10 regulations promulgated by the Director of the ~~Department~~ Division of
11 Workforce Services.

12 (c) The director shall report to the Legislative Council on a
13 quarterly basis on all uses of the fund.

14

15 SECTION 370. Arkansas Code § 19-5-1232 is amended to read as follows:

16 19-5-1232. ~~Department~~ Division of Workforce Services Unemployment
17 Insurance Administration Fund.

18 (a) There is established on the books of the Treasurer of State, the
19 Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous
20 fund to be known as the "~~Department~~ Division of Workforce Services
21 Unemployment Insurance Administration Fund".

22 (b)(1) The fund shall consist of the proceeds of the stabilization tax
23 as specified in § 11-10-706(f), any interest accruing on these revenues, and
24 any other funds made available by the General Assembly.

25 (2) The fund shall be used for personal services and operating
26 expenses of the unemployment insurance program necessary to the proper
27 administration of the ~~Department~~ Division of Workforce Services Law, § 11-10-
28 101 et seq., as determined by the Director of the ~~Department~~ Division of
29 Workforce Services.

30 (c) The ~~Director of the Department of Workforce Services~~ director
31 shall report to the Legislative Council on a quarterly basis on all uses of
32 the fund.

33

34 SECTION 371. Arkansas Code § 19-5-1234 is amended to read as follows:

35 19-5-1234. ~~Department~~ Division of Workforce Services Fund.

36 (a) There is created on the books of the Treasurer of State, the

1 Auditor of State, and the Chief Fiscal Officer of the State a fund to be
2 known as the "~~Department~~ Division of Workforce Services Fund".

3 (b) The fund shall consist of those general revenues as may be
4 authorized by law and any other nonfederal funds as may be provided by law.

5 (c) The fund shall be used for the maintenance, operation, and
6 improvement required by the ~~Department~~ Division of Workforce Services in
7 carrying out those powers, functions, and duties imposed by law upon the
8 Director of the ~~Department~~ Division of Workforce Services as set out in the
9 ~~Department~~ Division of Workforce Services Law, § 11-10-101 et seq., and § 20-
10 76-101 et seq., or any other duties that may be imposed by law upon the
11 ~~department~~ division, including those duties transferred to the ~~department~~
12 division under the provisions of § 20-76-111 [repealed].

13
14 SECTION 372. Arkansas Code § 19-6-402 is amended to read as follows:

15 19-6-402. ~~Arkansas Department~~ Division of Aeronautics Fund.

16 The ~~Arkansas Department~~ Division of Aeronautics Fund shall
17 consist of those special revenues as specified in § 19-6-301(17), there to
18 be used for making grants-in-aid to qualifying airports of this state as
19 authorized by law and for the maintenance, operation, and improvement
20 required by the ~~Arkansas Department~~ Division of Aeronautics in carrying out
21 the functions, powers, and duties, as set out in § 27-114-101 et seq., or
22 other duties imposed by law upon the department.

23
24 SECTION 373. Arkansas Code § 19-10-204(b)(1)(A)(i)(b), concerning
25 jurisdiction of the Arkansas State Claims Commission, is amended to read as
26 follows:

27 (b) The ~~Department~~ Division of Workforce
28 Services Law, § 11-10-101 et seq.;

29
30 SECTION 374. Arkansas Code § 19-11-259(a)(2)(B)(ii), concerning the
31 definition of "firm resident in Arkansas" under the law regarding preferences
32 among bidders, is amended to read as follows:

33 (ii) For not fewer than two (2) successive years
34 immediately prior to submitting a bid, has paid taxes under the ~~Department~~
35 Division of Workforce Services Law, § 11-10-101 et seq., unless exempt, and
36 either the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., or the

1 Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., on any property
2 used or intended to be used for or in connection with the firm's business;
3 and
4

5 SECTION 375. Arkansas Code § 19-12-115(c)(1), derived from Initiated
6 Act 1 of 2000 and concerning the establishment and administration of the
7 Arkansas Biosciences Institute, is amended to read as follows:

8 (c)(1) Arkansas Biosciences Institute Board. There is hereby
9 established the Arkansas Biosciences Institute Board which shall consist of
10 the following: the President of the University of Arkansas; the President of
11 Arkansas State University; the Chancellor of the University of Arkansas for
12 Medical Sciences; the Chancellor of the University of Arkansas at
13 Fayetteville; the Vice President for Agriculture of the University of
14 Arkansas; the ~~Executive~~ Director of the Arkansas Economic Development
15 Commission; the Director of the National Center for Toxicological Research;
16 the President of Arkansas Children's Hospital; and two (2) individuals
17 possessing recognized scientific, academic or business qualifications
18 appointed by the Governor. The two (2) members of the Arkansas Biosciences
19 Institute Board who are appointed by the Governor will serve four (4) year
20 terms and are limited to serving two consecutive four (4) year terms. The
21 terms shall commence on October 1 of each year. These members appointed by
22 the Governor are not entitled to compensation for their services, but may
23 receive expense reimbursement in accordance with § 25-16-902, to be paid from
24 funds appropriated for this program. The Arkansas Biosciences Institute Board
25 shall establish and appoint the members of an Industry Advisory Committee and
26 a Science Advisory Committee composed of knowledgeable persons in the fields
27 of industry and science. These Committees shall serve as resources for the
28 Arkansas Biosciences Institute Board in their respective areas and will
29 provide an avenue of communication to the Arkansas Biosciences Institute
30 Board on areas of potential research.
31

32 SECTION 376. Arkansas Code § 19-12-117(a)(1)-(3), derived from
33 Initiated Act 1 of 2000 concerning the establishment of the Arkansas Tobacco
34 Settlement Commission, are amended to read as follows:

35 (1) The ~~Executive~~ Director of the Arkansas Economic Development
36 Commission or his or her designee;

1 (2) ~~The Director of the Department of Education~~ Commissioner of
2 Primary and Secondary Education or his or her designee;

3 (3) The Director of the ~~Department~~ Division of Higher Education
4 or his or her designee;

5
6 SECTION 377. Arkansas Code § 19-12-117(h), derived from Initiated Act
7 1 of 2000 concerning the establishment of the Arkansas Tobacco Settlement
8 Commission, is amended to read as follows:

9 (h) ~~The commission is authorized to hire such staff as it may~~
10 ~~reasonably need to carry out the duties described in this chapter.~~ The costs
11 and expenses of the monitoring and evaluation program, ~~as well as the~~
12 ~~salaries, costs, and expenses of staff~~ shall be paid from the Arkansas
13 Tobacco Settlement Commission Fund established pursuant to § 19-12-108.
14

15 SECTION 378. Arkansas Code § 20-14-203(a), concerning ex officio
16 members of the Governor's Commission on People with Disabilities, is amended
17 to read as follows:

18 (a) The Director of ~~the Department of Human Services~~ Arkansas
19 Rehabilitation Services, the deputy director of the appropriate division as
20 determined by the ~~Director~~ Secretary of the Department of ~~Human Services~~
21 Commerce, and the Director of the ~~Department~~ Division of Workforce Services
22 or any director, commissioner, or administrator of successors' agencies shall
23 serve as ex officio members of the Governor's Commission on People with
24 Disabilities.
25

26 SECTION 379. Arkansas Code § 20-14-207(b)(1), concerning the Executive
27 Board of the Governor's Commission on People with Disabilities, is repealed.

28 ~~(1) Appointing, subject to the personnel law, such staff as is~~
29 ~~necessary to carry out the commission's objectives of the Governor's~~
30 ~~Commission on people with Disabilities;~~
31

32 SECTION 380. Arkansas Code § 20-14-209 is amended to read as follows:
33 20-14-209. Administrative support.

34 (a) The appropriate division as determined by the ~~Director of the~~
35 ~~Department of Human Services~~ Director of Arkansas Rehabilitation Services,
36 Secretary of the Department of Commerce, or any other agency or division as

1 the Governor shall designate shall provide administrative support to the
2 Governor's Commission on People with Disabilities.

3 (b) A representative of the ~~appropriate division as determined by the~~
4 ~~director or any other agency or division as the Governor shall designate~~
5 Secretary of the Department of Commerce shall be appointed as ~~executive~~
6 director to effect the coordination between the division and the Chair of the
7 Governor's Commission on People with Disabilities in the arrangement of the
8 support.

9
10 SECTION 381. Arkansas Code § 20-76-102(a) and (b), concerning
11 coordination of state agency service deliver, is amended to read as follows:

12 (a) To ensure that all available state government resources are used
13 to help transitional employment assistance recipients make the transition
14 from welfare to work, each of the following state agencies and organizations
15 shall also be required to work with the ~~Department~~ Division of Workforce
16 Services in providing transitional employment assistance services:

17 (1) The Department of Human Services;

18 (2) The ~~Department~~ Division of Higher Education, including
19 community colleges and the University of Arkansas Cooperative Extension
20 Service;

21 (3) The ~~Department of Education~~ Division of Elementary and
22 Secondary Education;

23 (4) The Arkansas Development Finance Authority;

24 (5) The Arkansas Economic Development Council;

25 (6) The Arkansas Department of Transportation;

26 (7) The Department of Finance and Administration, including the
27 Office of Child Support Enforcement;

28 (8) The Adult Learning Alliance, Inc.;

29 (9) The ~~Department of Career Education~~ Adult Education Section
30 of the Division of Workforce Services; and

31 (10) Other state agencies as directed by the Governor or as
32 directed by the General Assembly.

33 (b) State agencies required under subsection (a) of this section to
34 work with the ~~Department~~ Division of Workforce Services in providing
35 transitional employment assistance services to recipients shall make every
36 effort to use financial resources in their respective budgets and to seek

1 additional funding sources, whether private or federal, to supplement the
2 moneys allocated by the ~~Department~~ Division of Workforce Services for the
3 Transitional Employment Assistance Program.

4
5 SECTION 382. The introductory language of Arkansas Code § 20-76-
6 106(a), concerning Transitional Employment Assistance and the statewide
7 implementation plan, is amended to read as follows:

8 (a) The ~~Department~~ Division of Workforce Services shall:

9
10 SECTION 383. Arkansas Code § 20-76-106(b)(1), concerning Transitional
11 Employment Assistance and the statewide implementation plan, is amended to
12 read as follows:

13 (1) Performance standards and measurement criteria for state and
14 county offices of the Department of Human Services, the ~~Department~~ Division
15 of Workforce Services, and all service providers under the program;

16
17 SECTION 384. Arkansas Code § 20-76-106(c)(1) and (2), concerning
18 Transitional Employment Assistance and the statewide implementation plan, are
19 amended to read as follows:

20 (c)(1)(A) The ~~Department~~ Division of Workforce Services shall prepare
21 a comprehensive annual program report.

22 (B) The report shall be subject to review and
23 recommendation by the board.

24 (2) The ~~Department~~ Division of Workforce Services shall submit
25 the comprehensive annual program report to the Governor, the House Committee
26 on Public Health, Welfare, and Labor, and the Senate Committee on Public
27 Health, Welfare, and Labor.

28
29 SECTION 385. The introductory language of Arkansas Code § 20-76-109,
30 concerning the use of contracts by the Department of Workforce Services, is
31 amended to read as follows:

32 The ~~Department~~ Division of Workforce Services, as appropriate, should
33 provide work activities, training, and other services through contracts. In
34 contracting for work activities, training, or services, the following apply:

35
36 SECTION 386. Arkansas Code § 20-76-109(4)(A), concerning the use of

1 contracts by the Department of Workforce Services, is amended to read as
2 follows:

3 (4)(A) The ~~department~~ division may contract with commercial,
4 charitable, or faith-based organizations.

5
6 SECTION 387. Arkansas Code § 20-76-113(b) and (c), concerning
7 promoting outcomes for the Transitional Employment Assistance Program and
8 Arkansas Workforce Pays Program, are amended to read as follows:

9 (b) The ~~Department of Workforce Services~~ division shall develop and
10 maintain the indicators for the Transitional Employment Assistance Program
11 outcomes listed in subdivisions (a)(1)-(5) of this section, subject to review
12 and approval by the Arkansas Workforce Development Board.

13 (c)(1) The ~~Department of Workforce Services~~ division shall develop
14 proper targets for each Transitional Employment Assistance Program outcome by
15 July 1 of each year, subject to review and approval by the board.

16 (2) The ~~Department of Workforce Services~~ division shall review
17 and report on progress in achieving the targets in the comprehensive annual
18 program report.

19 (3)(A) On the forty-fifth day after the end of the federal
20 fiscal year, the report shall be submitted to the Governor and to the Chair
21 of the House Committee on Public Health, Welfare, and Labor and the Chair of
22 the Senate Committee on Public Health, Welfare, and Labor.

23 (B) The report shall include comments from the Department
24 of Human Services, the ~~Department~~ Division of Workforce Services, and other
25 relevant state agencies about their activities and their progress toward the
26 Transitional Employment Assistance Program outcome targets.

27
28 SECTION 388. Arkansas Code § 20-76-209(a), concerning payment of
29 certain contributions and withholdings by Department of Human Services, is
30 amended to read as follows:

31 (a) The appropriate division of the Department of Human Services is
32 authorized to pay the employer's portion of contributions and withholdings
33 required by the federal and state income tax laws, the Federal Insurance
34 Contributions Law, the Workers' Compensation Law, § 11-9-101 et seq., and the
35 ~~Department~~ Division of Workforce Services Law, § 11-10-101 et seq., in all
36 cases wherein the recipient has been determined to be the employer of the

1 provider and, as such, required to withhold an amount from the employee's
2 wage and contribute an amount based upon the wages under the provisions of
3 the above enumerated acts.

4
5 SECTION 389. Arkansas Code § 20-76-210(a), concerning the payment of
6 certain contributions and withholdings for certain nursing home care
7 projects, is amended to read as follows:

8 (a) The appropriate division of the Department of Human Services is
9 authorized to pay the employer's portion of contributions and withholdings
10 required by the federal and state income tax laws, the Federal Insurance
11 Contributions Act, the Workers' Compensation Law, § 11-9-101 et seq., and the
12 ~~Department~~ Division of Workforce Services Law, § 11-10-101 et seq., in all
13 cases wherein the homemaker and home health aid trainee is participating in
14 the subsidized employment project to prevent premature nursing home care.

15
16 SECTION 390. Arkansas Code § 20-76-214(a), concerning the payment of
17 certain contributions and withholdings related to transitional employment
18 assistance, is amended to read as follows:

19 (a) The Department of Human Services is authorized to pay the
20 employer's portion of contributions and withholdings required by the federal
21 and state income tax laws, the Federal Insurance Contributions Act, the
22 Workers' Compensation Law, § 11-9-101 et seq., the ~~Department~~ Division of
23 Workforce Services Law, § 11-10-101 et seq., and private medical insurance
24 premiums for eligible individuals where that is necessary to achieve
25 employment assistance.

26
27 SECTION 391. Arkansas Code § 20-76-401(a)(2) and (3), concerning
28 eligibility for the Transitional Employment Assistance Program, are amended
29 to read as follows:

30 (2)(A) The Transitional Employment Assistance Program shall be
31 administered by the Department of Human Services and the ~~Department~~ Division
32 of Workforce Services.

33 (B) Subject to the order of the Governor, the ~~Department~~
34 Division of Workforce Services may take full authority for administering the
35 Transitional Employment Assistance Program.

36 (C) The ~~Department~~ Division of Workforce Services may

1 contract with the Department of Human Services for administrative services.

2 (3) The ~~Department~~ Division of Workforce Services may operate a
3 separate Transitional Employment Assistance Program Two-Parent Program funded
4 by state funds not claimed for the federal Temporary Assistance for Needy
5 Families program maintenance of effort requirement if the Director of the
6 ~~Department~~ Division of Workforce Services deems such action necessary to
7 avoid the risk of not meeting the two-parent work participation rate.

8
9 SECTION 392. The introductory language of Arkansas Code § 20-76-
10 402(a), concerning work activities of the Department of Workforce Services,
11 is amended to read as follows:

12 (a) The ~~Department~~ Division of Workforce Services shall develop and
13 describe categories of approved work activities for transitional employment
14 assistance recipients in accordance with this section. The rules shall be
15 subject to review and recommendation by the Arkansas Workforce Development
16 Board. Approved work activities may include unsubsidized employment,
17 subsidized private sector employment, subsidized public sector employment,
18 education or training, vocational educational training, skills training, job
19 search and job readiness assistance, on-the-job training, micro enterprise,
20 community service, and work experience. For purposes of this section:

21
22 SECTION 393. The introductory language of Arkansas Code § 20-76-
23 402(a)(2)(A), concerning work activities of the Department of Workforce
24 Services, is amended to read as follows:

25 (2)(A) "Subsidized private sector employment" is employment in a
26 private for-profit enterprise or a private not-for-profit enterprise which is
27 directly supplemented by federal or state funds. A program recipient in
28 subsidized private sector employment shall be eligible for the same benefits
29 as a nonsubsidized employee who performs similar work. Before receiving any
30 subsidy or incentive, an employer shall enter into a written contract with
31 the ~~Department~~ Division of Workforce Services which may include, but not be
32 limited to, provisions addressing any of the following:

33
34 SECTION 394. Arkansas Code § 20-76-402(a)(2)(A)(v), concerning work
35 activities of the Department of Workforce Services, is amended to read as
36 follows:

1 (v) Weighting of incentive payments proportionally
2 to the extent to which the recipient has limitations associated with the
3 long-term receipt of welfare and difficulty in sustaining employment. In
4 establishing incentive payments, the ~~Department~~ Division of Workforce
5 Services shall consider the extent of the recipient's prior receipt of
6 welfare, lack of employment experience, lack of education, lack of job
7 skills, and other appropriate factors.

8
9 SECTION 395. Arkansas Code § 20-76-402(a)(2)(B), concerning work
10 activities of the Department of Workforce Services, is amended to read as
11 follows:

12 (B) The ~~Department~~ Division of Workforce Services may
13 require an employer to repay some or all of a subsidy or incentive previously
14 paid to an employer under the program unless the recipient is terminated for
15 cause;

16
17 SECTION 396. The introductory language of Arkansas Code § 20-76-
18 402(a)(3)(A), concerning work activities of the Department of Workforce
19 Services, is amended to read as follows:

20 (3)(A) "Subsidized public sector employment" is employment by an
21 agency of the federal, state, or local government which is directly
22 supplemented by federal or state funds. A program recipient in subsidized
23 public sector employment shall be eligible for the same benefits as a
24 nonsubsidized employee who performs similar work. Before receiving any
25 subsidy or incentive, an employer shall enter into a written contract with
26 the ~~Department~~ Division of Workforce Services that may include, but not be
27 limited to, provisions addressing any of the following:

28
29 SECTION 397. Arkansas Code § 20-76-402(a)(3)(A)(v), concerning work
30 activities of the Department of Workforce Services, is amended to read as
31 follows:

32 (v) Weighting of incentive payments proportionally
33 to the extent to which the recipient has limitations associated with the
34 long-term receipt of welfare and difficulty in sustaining employment. In
35 establishing incentive payments, the ~~Department~~ Division of Workforce
36 Services shall consider the extent of the recipient's prior receipt of

1 welfare, lack of employment experience, lack of education, lack of job
2 skills, and other appropriate factors.

3
4 SECTION 398. Arkansas Code § 20-76-402(a)(3)(B), concerning work
5 activities of the Department of Workforce Services, is amended to read as
6 follows:

7 (B) The ~~Department~~ Division of Workforce Services may
8 require an employer to repay some or all of a subsidy and incentive
9 previously paid to an employer under the program unless the recipient is
10 terminated for cause;

11
12 SECTION 399. Arkansas Code § 20-76-402(b)(1), concerning work
13 activities of the Department of Workforce Services, is amended to read as
14 follows:

15 (1) Be on the statewide or appropriate area list of occupations
16 in the "Guide to Educational Training Programs for Demand Occupations"
17 published by the ~~Department~~ Division of Workforce Services;

18
19 SECTION 400. Arkansas Code § 20-76-402(d), concerning work activities
20 of the Department of Workforce Services, is amended to read as follows:

21 (d)(1) The ~~Department~~ Division of Workforce Services shall require
22 participation in approved work activities to the maximum extent possible,
23 subject to federal and state funding. If funds are projected to be
24 insufficient to support full-time work activities by all program recipients
25 who are required to participate in work activities, the ~~Department~~ Division
26 of Workforce Services shall screen recipients and assign priority in
27 accordance with the implementation plan.

28 (2) In accordance with the implementation plan, the ~~Department~~
29 Division of Workforce Services may limit a recipient's weekly work
30 requirement to the minimum required to meet federal work activity
31 requirements and may develop screening and prioritization procedures within
32 employment opportunity districts or within counties based on the allocation
33 of resources, the availability of community resources, or the work activity
34 needs of the employment opportunity district or county.

35
36 SECTION 401. Arkansas Code § 20-76-402(e)(3), concerning work

1 activities of the Department of Workforce Services, is amended to read as
2 follows:

3 (3) The ~~Department~~ Division of Workforce Services shall
4 establish and maintain a grievance procedure for resolving complaints of
5 alleged violations of subdivision (e)(2) of this section.

6
7 SECTION 402. The introductory language of Arkansas Code § 20-76-
8 402(f), concerning work activities of the Department of Workforce Services,
9 is amended to read as follows:

10 (f) The ~~Department~~ Division of Workforce Services, subject to review
11 and recommendation by the board, shall establish criteria to exempt or
12 temporarily defer the following persons from any work activity requirement:

13
14 SECTION 403. The introductory language of Arkansas Code § 20-76-
15 402(f)(9), concerning work activities of the Department of Workforce
16 Services, is amended to read as follows:

17 (9) An individual who, as determined by a ~~Department~~ Division of
18 Workforce Services case manager, is unable to participate in work activities
19 due directly to the effects of domestic violence. All case manager
20 determinations made under this subdivision (f)(9) shall be reviewed by a
21 supervisor within five (5) days of such determination;

22
23 SECTION 404. Arkansas Code § 20-76-404 is amended to read as follows:
24 20-76-404. Duration of assistance – Extended support services.

25 (a)(1) ~~Beginning July 1, 1998, the Department~~ The Division of
26 Workforce Services shall not provide financial assistance to a family that
27 includes an adult recipient who has received financial assistance for more
28 than twenty-four (24) months, except as provided in subsection (c) of this
29 section.

30 (2) The number of months need not be consecutive and shall
31 include the time a recipient receives financial assistance from another
32 state.

33 (3) The ~~Department~~ Division of Workforce Services may by
34 regulation establish other limitations on the receipt of financial assistance
35 not inconsistent with state or federal law.

36 (b)(1) The ~~Department~~ Division of Workforce Services shall certify to

1 the Governor, the House Committee on Public Health, Welfare, and Labor, and
2 the Senate Committee on Public Health, Welfare, and Labor when the support
3 services necessary for program recipients to obtain employment or participate
4 in allowable work activities are available.

5 (2) The ~~Department~~ Division of Workforce Services may certify
6 subsets of program recipients, including without limitation recipients in a
7 certain geographical area or employment opportunity district or program
8 recipients with a high school diploma or high school equivalency diploma
9 approved by the Department of Career Education.

10 (3) Before implementing the twenty-four-month cumulative limit
11 on financial assistance, the ~~Department~~ Division of Workforce Services shall
12 notify program recipients by direct mail or contact and by other means
13 reasonably calculated to reach to current and potential program recipients,
14 including, but not limited to, the posting of notices in county offices.

15 (c) The ~~Department~~ Division of Workforce Services shall exempt or
16 temporarily defer within thirty (30) calendar days the following persons from
17 the twenty-four-month cumulative limit on financial assistance:

18 (1) An individual, as determined by a ~~Department~~ Division of
19 Workforce Services case manager, who cooperated and participated in
20 activities, but was unable to obtain employment because of circumstances or
21 barriers beyond his or her control;

22 (2) Child-only cases;

23 (3) An individual unable to obtain employment because of the
24 lack of support services necessary to overcome barriers to employment;

25 (4) A parent or caregiver over sixty (60) years of age;

26 (5) A parent or caregiver who is caring for a disabled child
27 relative or disabled adult relative, based upon criteria set forth in
28 ~~Department~~ Division of Workforce Services regulations;

29 (6) A disabled parent or caregiver, based upon criteria set
30 forth in ~~Department~~ Division of Workforce Services regulations;

31 (7) A parent less than eighteen (18) years of age who resides in
32 the home of a parent or in an approved adult-supervised setting and who
33 participates in full-time education or training;

34 (8) An individual, who as determined by a ~~Department~~ Division of
35 Workforce Services case manager, is unable to obtain employment due directly
36 to the effects of domestic violence. All case manager determinations made

1 under this subdivision (c)(8) shall be reviewed by a supervisor within five
2 (5) days of the determination;

3 (9) Other individuals as determined by the ~~Department~~ Division
4 of Workforce Services, including, but not limited to, a child when necessary
5 to protect the child from the risk of neglect, as defined by § 12-18-103(14);
6 and

7 (10) Individuals participating in education and training
8 activities who have reached the end of their twenty-four-month cumulative
9 limit on financial assistance, have complied with all transitional employment
10 assistance regulations, are making satisfactory academic progress as
11 determined by the academic institution or training program in which the
12 individual is currently enrolled, and are expected to complete the
13 requirements for the education or training program within a reasonable period
14 of time as defined in regulations issued by the ~~Department~~ Division of
15 Workforce Services.

16 (d)(1) No months shall be counted toward a person's twenty-four-month
17 cumulative limit on financial assistance while he or she is receiving a
18 deferral or exemption.

19 (2) There shall be no limit on the length or the number of
20 deferrals or exemptions granted each person as long as the person meets any
21 of the criteria outlined in subsection (c) of this section.

22 (3) The ~~Department~~ Division of Workforce Services shall
23 periodically review each case to determine whether the person still meets any
24 of the criteria outlined in subsection (c) of this section.

25 (4)(A) The ~~Department~~ Division of Workforce Services shall carry
26 out an enhanced review of all cases six (6) months before the expiration of
27 the time limit.

28 (B) The review shall assess the barriers that remain to
29 the adult or adults in the case obtaining employment, what enhanced services
30 can be provided to enable him or her to obtain employment, and whether the
31 case should be given a six-month extension or be exempted from the time
32 limit.

33 (C) The ~~Department~~ Division of Workforce Services shall
34 make every reasonable effort to deliver the available services identified in
35 subdivision (d)(4)(B) of this section.

36 (D) The ~~Department~~ Division of Workforce Services shall

1 grant an extension at the time for review if the client meets one (1) of the
2 grounds for extension.

3 (E) The ~~Department~~ Division of Workforce Services shall
4 carry out a further review at the end of the extension period.

5 (e)(1) A recipient who was eligible for Medicaid and loses his or her
6 financial assistance due to earnings and whose income remains below one
7 hundred eighty-five percent (185%) of the federal poverty level shall remain
8 eligible for transitional Medicaid without reapplication during the
9 immediately succeeding twelve-month period if private medical insurance is
10 unavailable from the employer.

11 (2) A recipient who loses his or her financial assistance due to
12 earnings and who is employed shall be eligible for:

13 (A) Childcare assistance at no cost and without
14 reapplication for a cumulative period of twelve (12) months; and

15 (B) Twenty-four (24) additional months of childcare
16 assistance provided on a sliding fee scale or other cost-sharing arrangement
17 as determined by the ~~Department~~ Division of Workforce Services.

18 (3) The ~~Department~~ Division of Workforce Services may reduce the
19 period of transitional child care to a total of twenty-four (24) months for
20 recipients who lose assistance at a specified date after the ~~Department~~
21 Division of Workforce Services' decision to limit the assistance if the
22 ~~Department~~ Division of Workforce Services certifies to the Governor and the
23 Chief Fiscal Officer of the State that the reduction is necessary to avoid
24 overspending the biennial budget for child care.

25 (4) The transitional childcare assistance available to former
26 recipients shall not exceed the cumulative number of months provided under
27 subdivisions (e)(2) and (3) of this section, regardless of whether the former
28 recipient reenters the Transitional Employment Assistance Program.

29 (f)(1) The ~~Department~~ Division of Workforce Services shall deny
30 Medicaid, childcare, and transportation assistance during the twelve-month
31 period for any month in which the recipient's family does not include a
32 dependent child.

33 (2) The ~~Department~~ Division of Workforce Services shall notify
34 the recipient of transitional Medicaid, childcare, and transportation
35 assistance when the recipient is notified of the termination of cash
36 assistance. The notice shall include a description of the circumstances in

1 which the transitional Medicaid and childcare assistance may be terminated.

2 (g)(1) In order to assist current and former program recipients in
3 continuing training and upgrading skills, transitional education or training
4 may be provided to a recipient for up to one (1) year after the recipient is
5 no longer eligible to participate in the program due to employment earnings.

6 (2) Education or training resources available in the community
7 at no additional cost to the ~~Department~~ Division of Workforce Services shall
8 be used whenever possible.

9 (3) Transitional education or training shall be employment-
10 related and may include education or training to improve a recipient's job
11 skills in the recipient's existing area of employment or may include
12 education or training to prepare a recipient for employment in another
13 occupation.

14 (4) The ~~Department~~ Division of Workforce Services may enter into
15 an agreement with an employer to share the costs relating to upgrading the
16 skills of recipients hired by the employer.

17 (h) Other extended support services may be available to recipients no
18 longer eligible for financial assistance under transitional employment
19 assistance.

20 (i)(1) By August 1, 2001, the ~~Department~~ Division of
21 Workforce Services shall develop a plan, subject to review and recommendation
22 by the Arkansas Workforce Development Board, to monitor and protect the
23 safety and well-being of the children within a family whose temporary
24 assistance is terminated for any reason other than the family's successful
25 transition to economic self-sufficiency.

26 (2)(A) Actions required by the plan shall include at least one
27 (1) home visit with the parents and children.

28 (B) Every reasonable effort shall be made to make contact
29 with all families, including visits during evenings and on weekends.

30 (C) The first home visit shall occur within six (6) months
31 after the termination of cash assistance.

32 (D) The purposes of the home visits shall include checking
33 on the well-being of children in those families and determining whether the
34 families need available services.

35 (3) The ~~Department~~ Division of Workforce Services may contract
36 with other state agencies, private companies, local government agencies, or

1 community organizations for the conducting of these visits.

2 (4) The board shall submit a report to the Governor and the
3 Chair of the House Committee on Public Health, Welfare, and Labor and the
4 Chair of the Senate Committee on Public Health, Welfare, and Labor that
5 report on the outcomes of the home visits and provide separate information
6 for families who left transitional assistance due to noncompliance and time
7 limits.

8 (j) As part of the home visits, families shall be informed about the
9 availability of Medicaid and ARKids First, food stamps, child care, housing
10 assistance, any other supportive services offered by the ~~Department~~ Division
11 of Workforce Services or the Department of Health designed to help meet the
12 basic needs and well-being of children, federal and state earned income tax
13 credits, individual development accounts, employment counseling services, and
14 education and training opportunities designed to increase the future earnings
15 and employment prospects of clients.

16
17 SECTION 405. Arkansas Code § 20-76-410(b) and (c), concerning
18 transitional employment assistance and administrative sanctions, are amended
19 to read as follows:

20 (b) The ~~Department~~ Division of Workforce Services may define by rule
21 additional situations that require sanction, establish additional sanctions,
22 and provide for administrative disqualification.

23 (c)(1) If a parent fails to comply with the Transitional Employment
24 Assistance Program requirements, financial assistance for the child or
25 children may be continued under subdivisions (a)(1)-(5) of this section, and
26 the ~~department~~ division shall suspend the family's assistance for one (1)
27 month.

28 (2)(A) During the thirty (30) days after suspension of benefits,
29 the ~~department~~ division shall make strong efforts to arrange a face-to-face
30 meeting with the parent, including a home visit to the family if necessary.

31 (B) In the face-to-face meeting, the ~~department~~ division
32 shall explain:

33 (i) The reason that the family has been found to be
34 noncompliant;

35 (ii) The penalty that will be imposed; and

36 (iii) The opportunity to correct that noncompliance

1 and avoid the penalty.

2 (C) The ~~department~~ division shall also seek to determine
3 the well-being of the child or children and whether additional services or
4 actions are required to protect the well-being of the child or children.

5 (D) If the parent comes into compliance within fifteen
6 (15) business days after the face-to-face meeting and maintains compliance
7 for two (2) weeks, the suspended benefits shall be paid to the family.

8 (3) If the parent fails to come into compliance during the
9 period of suspended benefits, the family's financial assistance may be
10 reduced by up to twenty-five percent (25%) for the next three (3) months if
11 noncompliance continues.

12 (4) If the parent's noncompliance continues after the fourth
13 month, the ~~department~~ division shall suspend the family's financial
14 assistance for two (2) months.

15 (5)(A) During the thirty (30) days after suspension of benefits,
16 the ~~department~~ division shall make strong efforts to arrange a face-to-face
17 meeting with the parent, including a home visit to the family if necessary.

18 (B) In the face-to-face meeting, the ~~department~~ division
19 shall explain:

20 (i) The reason that the family has been found to be
21 noncompliant;

22 (ii) The penalty that will be imposed; and

23 (iii) The opportunity to correct that noncompliance
24 and avoid the penalty.

25 (C) The ~~department~~ division shall also seek to determine
26 the well-being of the child or children and whether additional services or
27 actions are required to protect the well-being of the child or children.

28 (D) If the parent comes into compliance within fifteen
29 (15) business days and maintains compliance for two (2) weeks, the suspended
30 benefits shall be paid to the parent.

31 (E) If the parent fails to come into compliance during the
32 second period of suspended benefits, the family's financial assistance may be
33 reduced by up to fifty percent (50%) for the next three (3) months, if
34 noncompliance continues.

35 (F) Months during which cash assistance benefits are
36 suspended shall not count toward the family's twenty-four-month limit on

1 receiving Transitional Employment Assistance Program assistance.

2 (G) The Transitional Employment Assistance Program cash
3 assistance case shall be closed if noncompliance continues after the end of
4 the period under this subdivision (c)(5).

5 (6) The ~~department~~ division shall arrange a home visit with the
6 family during the last month of the sanction to determine the well-being of
7 the child or children and to determine whether additional services are
8 required to protect the well-being of the child or children.

9 (7) Medicaid and food stamp benefits shall be continued without
10 need for reapplication if the family is being sanctioned and for as long as
11 the family remains eligible under the requirements of those programs.

12 (8) ~~Department~~ Division staff may contract with other state
13 agencies, local coalitions, or appropriate community organizations to carry
14 out the strong efforts to communicate with families facing sanction and to
15 conduct the face-to-face meetings and home visits specified in this section.

16 (d) Beginning after July 27, 2011, the ~~department~~ division shall
17 include in the comprehensive annual program report information on the
18 families sanctioned and the outcomes of the home visits to the Governor and
19 the House Committee on Public Health, Welfare, and Labor and the Senate
20 Committee on Public Health, Welfare, and Labor.

21 (e) When appropriate, protective payees may be designated by the
22 ~~department~~ division and may include:

23 (1) A relative or other individual who is interested in or
24 concerned with the welfare of the child or children and agrees in writing to
25 utilize the assistance in the best interests of the child or children;

26 (2) A member of the community affiliated with a religious,
27 community, neighborhood, or charitable organization who agrees in writing to
28 utilize the assistance in the best interests of the child or children; or

29 (3) A volunteer or member of an organization who agrees in
30 writing to utilize the assistance in the best interests of the child or
31 children.

32 (f)(1) If it is in the best interest of the child or children, as
33 determined by the ~~department~~ division, for the staff member of a private
34 agency, a public agency, the ~~department~~ division, or any other appropriate
35 organization to serve as a protective payee, the designation may be made.

36 (2) However, a protective payee shall not be any individual

1 involved in determining eligibility for assistance for the family, staff
2 handling any fiscal pressures related to the issuance of assistance, or
3 landlords, grocers, or vendors of goods, services, or items dealing directly
4 with the recipient.

5
6 SECTION 406. Arkansas Code § 20-76-437 is amended to read as follows:

7 20-76-437. Reporting – Transitional employment assistance.

8 The Department of Human Services, the ~~Department~~ Division of Workforce
9 Services, the Department of Health, the Department of Education, the
10 Department of Higher Education, the Department of Career Education, the
11 Arkansas Development Finance Authority, the Arkansas Economic Development
12 Council, and the Arkansas Department of Transportation shall report
13 periodically to the House Committee on Public Health, Welfare, and Labor and
14 Senate Committee on Public Health, Welfare, and Labor regarding the provision
15 of services to Transitional Employment Assistance Program recipients.

16
17 SECTION 407. Arkansas Code § 20-76-438(b)(1)(A) and (B), concerning
18 the purpose of public assistance, are amended to read as follows:

19 (A) Currently there are inefficiencies and duplication of
20 effort on the part of the ~~Department~~ Division of Workforce Services and the
21 Department of Human Services in the administration of the Transitional
22 Employment Assistance Program; and

23 (B) A different division of responsibility for
24 administration of the Transitional Employment Assistance Program by the
25 ~~Department~~ Division of Workforce Services and the Department of Human
26 Services may result in the more efficient and effective administration of the
27 Transitional Employment Assistance Program.

28
29 SECTION 408. The introductory language of Arkansas Code § 20-76-
30 438(b)(2) and (B), concerning the purpose of public assistance, are amended
31 to read as follows:

32 (2) Therefore, it is in the public interest that the General
33 Assembly authorize the ~~Department~~ Division of Workforce Services to:

34
35 SECTION 409. Arkansas Code § 20-76-443(a)(1), concerning education and
36 training for Transitional Employment Assistance Program recipients, is

1 amended to read as follows:

2 (a)(1) The Department of Human Services and the ~~Department~~ Division of
3 Workforce Services shall permit Transitional Employment Assistance Program
4 recipients to obtain the education and training they need to obtain jobs that
5 pay wages allowing them to be economically self-sufficient.

6

7 SECTION 410. Arkansas Code § 20-76-443(d)(2), concerning education and
8 training for Transitional Employment Assistance Program recipients, is
9 amended to read as follows:

10 (2) The ~~Department~~ Division of Workforce Services and the
11 Arkansas Early Childhood Commission jointly shall promulgate rules to develop
12 an evening childcare program with extended hours under subdivision (d)(1) of
13 this section.

14

15 SECTION 411. Arkansas Code § 20-76-444(a)(2)(A), concerning the
16 creation and duties of the Arkansas Work Pays Program, is amended to read as
17 follows:

18 (2)(A) The Arkansas Work Pays Program shall be administered by
19 the ~~Department~~ Division of Workforce Services.

20

21 SECTION 412. Arkansas Code § 20-76-444(c)(1), concerning the creation
22 and duties of the Arkansas Work Pays Program, is amended to read as follows:

23 (2) The ~~department~~ division may set payment levels for families
24 earning above the federal poverty level by rule to allow for a gradual
25 reduction in payments as earnings rise toward one hundred fifty percent
26 (150%) of the federal poverty level.

27

28 SECTION 413. The introductory language of Arkansas Code § 20-76-
29 444(f), concerning the creation and duties of the Arkansas Work Pays Program,
30 is amended to read as follows:

31 (f) The ~~Department~~ Division of Workforce Services shall administer a
32 work incentive program that includes cash bonuses and other financial
33 incentives to encourage:

34

35 SECTION 414. Arkansas Code § 20-76-444(g)(1), concerning the creation
36 and duties of the Arkansas Work Pays Program, is amended to read as follows:

1 (g)(1) The ~~Department~~ Division of Workforce Services shall work with
2 local workforce offices to develop and administer services to Arkansas Work
3 Pays Program participants designed to help them move into higher-paying jobs
4 available in their regions.

5
6 SECTION 415. The introductory language of Arkansas Code § 20-76-
7 444(g)(3), concerning the creation and duties of the Arkansas Work Pays
8 Program, is amended to read as follows:

9 (3) The ~~Department~~ Division of Workforce Services may make these
10 services available to low-income workers who are not participating in the
11 Arkansas Work Pays Program.

12
13 SECTION 416. Arkansas Code § 20-76-444(h)-(j), concerning the creation
14 and duties of the Arkansas Work Pays Program, are amended to read as follows:

15 (h) The ~~Department~~ Division of Workforce Services may contract with
16 the Department of Human Services for administrative services related to
17 eligibility and payments.

18 (i) The ~~Department~~ Division of Workforce Services shall make
19 arrangements with the Department of Human Services to facilitate
20 participants' enrollment in the Arkansas Work Pays Program after they leave
21 the Transitional Employment Assistance Program.

22 (j)(1) The ~~Department~~ Division of Workforce Services shall promulgate
23 rules establishing the Arkansas Work Pays Program.

24 (2) The rules shall be subject to review and recommendation by
25 the board.

26
27 SECTION 417. Arkansas Code § 20-76-445(b)(1)(A), concerning the Career
28 Pathways Initiative, is amended to read as follows:

29 (b)(1)(A) The ~~Department~~ Division of Workforce Services, the
30 Department of Higher Education, and the Arkansas Workforce Development Board
31 shall work jointly to develop a plan for the Career Pathways Initiative.

32
33 SECTION 418. The introductory language of Arkansas Code § 20-76-
34 445(d), concerning the Career Pathways Initiative, is amended to read as
35 follows:

36 (d) Under the initiative, the ~~Department~~ Division of Higher Education

1 shall contract to provide education and training that will result in job
2 training certificates or higher education degrees for Transitional Employment
3 Assistance Program participants and other low-income adults with:
4

5 SECTION 419. Arkansas Code § 20-76-445(e)(2), concerning the Career
6 Pathways Initiative, is amended to read as follows:

7 (2) Applications shall be made to the ~~Department~~ Division of
8 Higher Education.
9

10 SECTION 420. Arkansas Code § 20-76-445(f), concerning the Career
11 Pathways Initiative, is amended to read as follows:

12 (f) The ~~Department~~ Division of Higher Education shall determine which
13 two-year college proposals are funded under the initiative.
14

15 SECTION 421. Arkansas Code § 20-76-446(a)(2), concerning the creation
16 of the Community Investment Initiative, is amended to read as follows:

17 (2) The ~~Department~~ Division of Workforce Services shall develop
18 the initiative.
19

20 SECTION 422. Arkansas Code § 20-76-446(b), concerning the creation of
21 the Community Investment Initiative, is amended to read as follows:

22 (b) The ~~department~~ division shall contract with private or community
23 organizations, including faith-based organizations, to offer services and
24 support to parents, children, and youth in their communities.
25

26 SECTION 423. Arkansas Code § 20-76-446(d)(1), concerning the creation
27 of the Community Investment Initiative, is amended to read as follows:

28 (d)(1) The ~~department~~ division shall authorize contracts with state
29 agencies or community organizations to provide training and capacity building
30 services to organizations eligible to apply for initiative funds.
31

32 SECTION 424. Arkansas Code § 20-76-702(4)(B), concerning definitions
33 for the Drug Screening and Testing Act of 2015, is amended to read as
34 follows:

35 (B) The Director of the ~~Department~~ Division of Workforce
36 Services may add under the definition of subdivision (4)(A) of this section

1 additional drugs by rule;

2
3 SECTION 425. Arkansas Code § 20-76-702(6), concerning definitions for
4 the Drug Screening and Testing Act of 2015, is amended to read as follows:

5 (6) "Drug testing agency" means an entity that has the required
6 credentials as established by the ~~Department~~ Division of Workforce Services
7 to administer drug tests using a person's urine, blood, or DNA that will
8 detect and validate the presence of drugs in a person's body;

9
10 SECTION 426. Arkansas Code § 20-76-703(a)(1), concerning the
11 administration of drug screening and testing program under the Temporary
12 Assistance for Needy Families Program, is amended to read as follows:

13 (a)(1) Subject to state appropriation, the ~~Department~~ Division of
14 Workforce Services, in coordination with the Department of Human Services,
15 shall establish and administer a drug screening and testing program of
16 suspicion-based drug screening and testing for each applicant who is
17 otherwise eligible for the Temporary Assistance for Needy Families Program, §
18 20-76-101 et seq., or its successor program and for each recipient of the
19 Temporary Assistance for Needy Families Program, § 20-76-101 et seq., or its
20 successor program.

21
22 SECTION 427. The introductory language of Arkansas Code § 20-76-
23 704(a), concerning the powers and duties of the Department of Workforce
24 Services in the administration of a drug screening and testing program under
25 the Temporary Assistance for Needy Families Program, is amended to read as
26 follows:

27 (a) The ~~Department~~ Division of Workforce Services, in coordination
28 with the Department of Human Services, shall:

29
30 SECTION 428. Arkansas Code § 20-76-704(a)(2), concerning the powers
31 and duties of the Department of Workforce Services in the administration of a
32 drug screening and testing program under the Temporary Assistance for Needy
33 Families Program, is amended to read as follows:

34 (2) Develop appropriate screening techniques and processes to
35 establish reasonable cause that an applicant or recipient is using a drug and
36 to establish the necessary criteria to permit the ~~Department~~ Division of

1 Workforce Services, in coordination with the Department of Human Services, to
2 require the applicant or recipient to undergo no less than a five-panel drug
3 test;

4
5 SECTION 429. The introductory language of Arkansas Code § 20-76-
6 704(b), concerning the powers and duties of the Department of Workforce
7 Services in the administration of a drug screening and testing program under
8 the Temporary Assistance for Needy Families Program, is amended to read as
9 follows:

10 (b) Annually, the ~~Department~~ Division of Workforce Services, in
11 coordination with the Department of Human Services, shall submit a report of
12 the past calendar year on or before February 1 to the General Assembly that
13 includes without limitation:

14
15 SECTION 430. Arkansas Code § 20-76-704(b)(8), concerning the powers
16 and duties of the Department of Workforce Services in the administration of a
17 drug screening and testing program under the Temporary Assistance for Needy
18 Families Program, is amended to read as follows:

19 (8) The amount of costs incurred by the ~~department~~ division for
20 the administration of the drug screening and testing program; and

21
22 SECTION 431. Arkansas Code § 20-76-705(1)(B), concerning standards in
23 the drug screening and testing pilot program, is amended to read as follows:

24 (B) If the result of the drug screening tool gives the
25 ~~Department~~ Division of Workforce Services a reasonable suspicion to believe
26 that the applicant or recipient has engaged in the use of drugs, then the
27 applicant or recipient shall be required to take a drug test.

28
29 SECTION 432. Arkansas Code § 20-76-705(2)(A) and (B), concerning
30 standards in the drug screening and testing pilot program, are amended to
31 read as follows:

32 (A) If an applicant or recipient receives a negative
33 result on a drug test, the cost of administering the drug test shall be paid
34 by the ~~department~~ division;

35 (B) If an applicant or recipient receives a positive
36 result on a drug test, refuses to enter a treatment plan, and receives a

1 negative result on a drug test upon reapplying for benefits after six (6)
2 months, the cost of administering the first drug test shall be deducted from
3 his or her first program benefits, and the cost of administering the second
4 drug test shall be paid by the ~~department~~ division;

5
6 SECTION 433. Arkansas Code § 20-76-705(3)(A), concerning standards in
7 the drug screening and testing pilot program, are amended to read as follows:

8 (3)(A) A referral process for any applicant or recipient who
9 receives a positive result on a drug test to be referred to an appropriate
10 treatment resource for drug abuse treatment or other resource by the
11 ~~department~~ division for an appropriate treatment period as determined by the
12 ~~department~~ division.

13
14 SECTION 434. Arkansas Code § 20-76-705(5)(C), concerning standards in
15 the drug screening and testing pilot program, are amended to read as follows:

16 (C) If an applicant or recipient who has failed a drug
17 test reapplies for program benefits, the applicant or recipient shall test
18 negative for illegal use of controlled substances in order to receive program
19 benefits and the ~~department~~ division may provide a referral to an appropriate
20 treatment resource for drug abuse treatment or other resource; and

21
22 SECTION 435. Arkansas Code § 20-76-706(a), concerning information
23 regarding drug testing, is amended to read as follows:

24 (a) All information, interviews, reports, statements, memoranda, and
25 drug test results, written or otherwise, received by the ~~Department~~ Division
26 of Workforce Services as a part of the drug testing program under this
27 subchapter shall be confidential and not subject to disclosure and may not be
28 used or received in evidence, obtained in discovery, or disclosed in any
29 public or private proceedings.

30
31 SECTION 436. Arkansas Code § 20-76-706(c)(1), concerning information
32 regarding drug testing, is amended to read as follows:

33 (1) The ~~department~~ division or a drug testing agency conducting
34 the drug test from having access to an adult applicant's or adult recipient's
35 drug test information or using the information when consulting with legal
36 counsel in connection with actions brought under or related to this

1 subchapter or when the information is relevant to its defense in a civil or
2 administrative matter; or

3
4 SECTION 437. Arkansas Code § 20-76-708(a), concerning the rulemaking
5 authority of the Director of the Department of Workforce Services, is
6 amended to read as follows:

7 (a) The Director of the ~~Department~~ Division of Workforce Services, in
8 coordination with the Department of Human Services, shall promulgate rules
9 necessary for the implementation of this subchapter.

10
11 SECTION 438. The introductory language of Arkansas Code § 20-77-
12 2002(a)(5)(B), concerning the administration of the ARKids First A and B
13 programs, is amended to read as follows:

14 (B) To make the improvements required under subdivision
15 (a)(1) of this section, the ~~department~~ division shall maximize the use of
16 existing program databases to obtain information related to earned and
17 unearned income for purposes of eligibility determination and renewals,
18 including without limitation:

19
20 SECTION 439. Arkansas Code § 20-77-2002(a)(5)(B)(vi), concerning the
21 administration of the ARKids First A and B programs, is amended to read as
22 follows:

23 (vi) The ~~Department~~ Division of Workforce Services
24 database.

25
26 SECTION 440. Arkansas Code § 20-86-105(a), concerning proposals for
27 contracts with fiduciary organizations by the Division of Workforce Services,
28 is amended to read as follows:

29 (a)(1) The ~~Department~~ Division of Workforce Services shall enter into
30 contracts with one (1) or more fiduciary organizations pursuant to the
31 provisions of this section in such a manner that different regions of the
32 state are served by one (1) or more fiduciary organizations.

33 (2)(A) An organization based in this state which desires to
34 enter into such a contract shall submit a proposal to the ~~department~~ division
35 for the right to be approved as a fiduciary organization.

36 (B) Proposals shall be made upon forms prescribed by the

1 ~~department~~ division and shall contain such information as the ~~department~~
2 division may require.

3
4 SECTION 441. The introductory language of Arkansas Code § 20-86-
5 105(b), concerning proposals for contracts with fiduciary organizations by
6 the Division of Workforce Services, is amended to read as follows:

7 (b) Organizations' proposals shall be evaluated and contracts awarded
8 by the ~~department~~ division on the basis of such items as geographic diversity
9 and an organization's:

10
11 SECTION 442. Arkansas Code § 20-86-106(a)(1), concerning an individual
12 development account, is amended to read as follows:

13 (a)(1) An individual who is a resident of this state may submit an
14 application to open an individual development account to a fiduciary
15 organization approved by the ~~Department~~ Division of Workforce Services
16 pursuant to the provisions of § 20-86-105.

17
18 SECTION 443. Arkansas Code § 20-86-109(d)(1)(B), concerning matching
19 funds contributed to a fiduciary organization,, is amended to read as
20 follows:

21 (B) The fiduciary organization shall then notify the
22 ~~Department~~ Division of Workforce Services and request a certification from
23 the ~~Department~~ Division of Workforce Services certifying the amount of the
24 tax credit to which the taxpayer is entitled.

25
26 SECTION 444. Arkansas Code § 20-86-109(g), concerning matching funds
27 contributed to a fiduciary organization,, is amended to read as follows:

28 (g) The ~~Department~~ Division of Workforce Services may monitor the use
29 of these funds by fiduciary organizations.

30
31 SECTION 445. The introductory language of Arkansas Code § 20-86-111,
32 concerning reporting requirements of fiduciary organizations, is amended to
33 read as follows:

34 Each fiduciary organization shall provide quarterly to the ~~Department~~
35 Division of Workforce Services the following information:

1 SECTION 446. Arkansas Code § 20-86-112 is amended to read as follows:
2 20-86-112. Implementation.

3 The ~~Department~~ Division of Workforce Services shall be responsible for
4 implementation of this subchapter and shall promulgate rules as necessary in
5 accordance with the provisions of this subchapter.
6

7 SECTION 447. Arkansas Code § 20-86-113(a), concerning reports and
8 recommendations of the Department of Workforce Services, is amended to read
9 as follows:

10 (a) The ~~Department~~ Division of Workforce Services shall prepare a
11 written report annually regarding the implementation of this act and shall
12 make recommendations for improving the program.
13

14 SECTION 448. Arkansas Code § 21-5-218 is amended to read as follows:
15 21-5-218. Reimbursement for interpreter services for deaf.

16 Whereas the Arkansas Rehabilitation Services of the ~~Department of~~
17 ~~Career Education~~ Adult Education Section of the Division of Workforce
18 Services currently purchases and sells staff interpreter services for the
19 deaf with four (4) other agencies, the University of Arkansas at
20 Fayetteville, the University of Arkansas at Little Rock, the Arkansas School
21 for the Deaf, and the Administrative Office of the Courts and whereas the
22 need for interpreters is immediate and often for crisis purposes and cannot
23 be planned ahead, the ~~Department of Career Education~~ Adult Education Section
24 of the Division of Workforce Services is authorized to arrange for
25 reimbursement with those agencies, assuring that the amount paid from both
26 agencies will not exceed the maximum for the grades they occupy consistent
27 with the intent of § 19-4-1604, with notification and justification to the
28 Chief Fiscal Officer of the State.
29

30 SECTION 449. Arkansas Code § 23-2-423(d), concerning the procedure for
31 judicial review for orders of the Arkansas Public Service Commission, is
32 amended to read as follows:

33 (d) The Court of Appeals, on review, shall advance commission cases as
34 matters of public interest over all other civil cases except child custody
35 cases, and appeals under the Workers' Compensation Law, § 11-9-101 et seq.,
36 and the ~~Department~~ Division of Workforce Services Law, § 11-10-101 et seq.

1
2 SECTION 450. Arkansas Code § 23-35-201 is amended to read as follows:

3 23-35-201. Credit Union Division – State Credit Union Supervisor –
4 Staff.

5 There is created under the State Securities Department a Credit Union
6 Division which shall be administered by the State Credit Union Supervisor.
7 The Securities Commissioner, with the approval of the Secretary of the
8 Department of Commerce, shall act as State Credit Union Supervisor. The
9 supervisor, with the approval of the Secretary of the Department of Commerce,
10 shall appoint such ~~assistants, secretaries,~~ administrative assistants and
11 examiners as may be necessary to assist in the performance of his or her
12 duties under this chapter.

13
14 SECTION 451. Arkansas Code § 23-37-206 is amended to read as follows:

15 23-37-206. Division of Savings and Loan Associations – Supervisor –
16 Staff.

17 (a) There is created a Division of Savings and Loan Associations of
18 the State Securities Department which shall be administered by the Supervisor
19 of Savings and Loan Associations.

20 (b)(1) The Securities Commissioner, with the approval of the Secretary
21 of the Department of Commerce, shall act as Supervisor of Savings and Loan
22 Associations. He or she may appoint an assistant securities commissioner
23 responsible for financial institutions to act as the Assistant Supervisor of
24 Savings and Loan Associations and perform all duties delegated by the
25 commissioner.

26 (2) The supervisor, with the approval of the Secretary of the
27 Department of Commerce, shall appoint any other assistants, secretaries, and
28 examiners who may be necessary to assist in the performance of his or her
29 duties under this chapter.

30
31 SECTION 452. Arkansas Code § 23-39-512(b)(2)(A), concerning exceptions
32 to the public inspection of the records of the State Securities Department,
33 is amended to read as follows:

34 (A) Generally, records that reflect discussions between or
35 consideration by the commissioner or members of ~~his or her~~ the staff of the
36 State Securities Department or the staff of the Department of Commerce

1 working for the State Securities Department, or both, of any action taken or
 2 proposed to be taken by the commissioner or by any members of ~~his or her~~ the
 3 staff of the State Securities Department or the staff of the Department of
 4 Commerce working for the State Securities Department; and

5
 6 SECTION 453. Arkansas Code § 23-39-512(b)(3)(A) and (B), concerning
 7 exceptions to the public inspection of the records of the State Securities
 8 Department, are amended to read as follows:

9 (A) Information concerning all employees of the State
 10 Securities Department or the Department of Commerce working for the State
 11 Securities Department and information concerning persons subject to
 12 regulation by the department; and

13 (B) Personal information about employees of mortgage
 14 brokers, mortgage bankers, mortgage servicers, or loan officers reported to
 15 the commissioner under the ~~department's~~ State Securities Department rules
 16 concerning registration of those persons;

17
 18 SECTION 454. Arkansas Code § 23-42-201 is amended to read as follows:

19 23-42-201. Administration by Securities Commissioner – Conflicts of
 20 interest.

21 (a)(1) This chapter shall be administered by the Securities
 22 Commissioner, who shall be appointed by the Governor and who shall serve at
 23 the pleasure of the Governor

24 (2) The commissioner shall report to the Secretary of the
 25 Department of Commerce.

26 (b)(1) There is created within the Department of commerce the State
 27 Securities Department.

28 (2) The State Securities Department shall have all the powers
 29 and duties assigned pursuant to Acts 1983, No. 691 and all subsequent
 30 delegations of authority.

31 ~~(b)(c)~~ (c) No person shall serve in the State Securities Department or in
 32 the Department of Commerce working for the State Securities Department in any
 33 capacity who engages in any activities regulated under the provisions of this
 34 chapter.

35
 36 SECTION 455. Arkansas Code § 23-42-203 is amended to read as follows:

1 23-42-203. Confidentiality of information or proceedings generally.

2 (a) It is unlawful for the Securities Commissioner or any of ~~his or~~
3 ~~her~~ the officers or employees of the State Securities Department or officers
4 or employees of the Department of Commerce working for the State Securities
5 Department to use for personal benefit any information which is filed with or
6 obtained by the commissioner and which is not made public.

7 (b) Neither the commissioner nor any of ~~his or her~~ the officers or
8 employees of the State Securities Department or officers or employees of the
9 Department of Commerce working for the State Securities Department shall
10 disclose the information except among themselves or when necessary or
11 appropriate in a proceeding or investigation under this chapter or in any
12 judicial proceedings when the information is not privileged.

13 (c) No provision of this chapter either creates or derogates from any
14 privilege which exists at common law or otherwise when documentary or other
15 evidence is sought under a subpoena directed to the commissioner or any of
16 his or her officers or employees.

17 (d) Nothing herein shall prevent the commissioner or any officers or
18 employees of the State Securities Department or officers or employees of the
19 Department of Commerce working for the State Securities Department from
20 sharing with state or federal law enforcement authorities, other state or
21 federal regulatory authorities, or self-regulatory organizations authorized
22 by law any information which they may have or obtain in aid of the
23 enforcement of this chapter or any other securities act or the criminal
24 provisions of any laws.

25 (e) The commissioner, in his or her discretion, shall determine when
26 an administrative proceeding shall be public.

27
28 SECTION 456. Arkansas Code § 23-42-207(b)(3), concerning exceptions to
29 the public inspection of records filed with the Securities Commissioner, is
30 amended to read as follows:

31 (3) Personnel and medical files and similar files the disclosure
32 of which would constitute a clearly unwarranted invasion of personal privacy,
33 including those concerning ~~all~~ employees of the State Securities Department
34 or employees of the Department of Commerce working for the State Securities
35 Department and those concerning persons subject to regulation by employees of
36 broker-dealers reported to the commissioner pursuant to the ~~department's~~

1 State Securities Department's rules concerning registration of broker-dealers
2 and agents;

3
4 SECTION 457. Arkansas Code § 23-46-201 is amended to read as follows:

5 23-46-201. Creation.

6 There is created and established, at the seat of government of this
7 state, a department to be known as the State Bank Department. The State Bank
8 Department shall be a division of the Department of Commerce.

9
10 SECTION 458. Arkansas Code § 23-46-202 is repealed.

11 ~~23-46-202. Offices.~~

12 ~~(a) The State Bank Department may own, acquire, construct,~~
13 ~~reconstruct, extend, equip, improve, maintain, operate, lease, contract~~
14 ~~concerning, or otherwise deal in and with any lands, improvements, buildings,~~
15 ~~furniture, furnishings, machinery, and personal property of any and every~~
16 ~~nature whatever, that can be used by the department for suitable offices for~~
17 ~~the business of the department, with the necessary conveniences for the~~
18 ~~transaction of business and the safekeeping of the records of the department.~~

19 ~~(b) The State Bank Department is authorized and empowered to obtain~~
20 ~~the necessary funds to accomplish the purposes stated in subsection (a) of~~
21 ~~this section from any source or sources necessary, including without~~
22 ~~limitation contracting with the Building Authority Division of the Department~~
23 ~~of Finance and Administration or the Arkansas Development Finance Authority~~
24 ~~to provide for the issuance of bonds under the State Agencies Facilities~~
25 ~~Acquisition Act of 1991, § 22-3-1401 et seq., or the Arkansas Development~~
26 ~~Finance Authority Act, § 15-5-101 et seq., § 15-5-201 et seq., and § 15-5-301~~
27 ~~et seq.~~

28 ~~(c)(1) Bonds and interest on the bonds issued under this section shall~~
29 ~~be payable solely from and secured by a pledge of the fees and revenues~~
30 ~~deposited into an account designated as the State Bank Department Building~~
31 ~~Fund in accordance with § 23-46-209(a).~~

32 ~~(2) The pledged fees and revenues are specifically declared to~~
33 ~~be cash funds, restricted in their use, and dedicated solely for the purposes~~
34 ~~set forth in this subchapter.~~

35 ~~(3) The Arkansas Development Finance Authority is authorized and~~
36 ~~empowered to make a pledge of the fees and revenues in the resolution~~

1 ~~authorizing the issuance of the bonds under this section.~~

2
3 SECTION 459. Arkansas Code § 23-46-204 is amended to read as follows:
4 23-46-204. Bank Commissioner – Appointment and removal.

5 (a) The Governor, by and with the advice and consent of the Senate,
6 shall appoint a Bank Commissioner who shall:

7 (1) Be a resident of this state;

8 (2) Be at least thirty (30) years of age; and

9 (3) Have not less than five (5) years' experience either in
10 practical banking or in the bank department of a state.

11 (b) The commissioner shall be the head of the State Bank Department
12 and shall hold his or her office for the term of four (4) years beginning
13 from the date of actual appointment by the Governor and expiring four (4)
14 years from that date and until a successor is appointed.

15 (c) The commissioner may be removed by the Governor from office for
16 neglect of duty, malfeasance, misfeasance, extortion or corruption in office,
17 incompetency, or mental or physical disability to such an extreme as to
18 render the commissioner unable or unfit for the discharge of his or her
19 duties, or for any offense involving moral turpitude while in office
20 committed under color of or connected with such an office.

21 (d) In the event there shall be an inability to serve in the office
22 caused by death, suspension, removal, disability, disqualification, or
23 resignation of the commissioner, a deputy commissioner previously designated
24 by the commissioner shall exercise the powers and perform the duties of the
25 commissioner until a successor is appointed by the Governor , with the advice
26 and consent of the Senate, who shall serve for the remainder of the unexpired
27 term fixed by law.

28 (e) The commissioner shall report to the Secretary of the Department
29 of Commerce.

30
31 SECTION 460. Arkansas Code § 23-46-205(d)(10), concerning the powers
32 and duties of the Bank Commissioner, is amended to read as follows:

33 (10)(A) Perform preemployment state criminal background checks
34 through the ~~Department~~ Division of Arkansas State Police and preemployment
35 federal criminal background checks through the Federal Bureau of
36 Investigation on all applicants selected for employment as examiners with the

1 State Bank Department.

2 (B) The federal background check shall include taking
3 fingerprints of the applicant.

4 (C) The applicant shall sign a release authorizing the
5 ~~Department~~ Division of Arkansas State Police and the Federal Bureau of
6 Investigation to disclose criminal history information about the applicant to
7 the State Bank Department.

8 (D) The commissioner shall treat the information as
9 confidential and shall disclose the information only to the applicant; and

10
11 SECTION 461. Arkansas Code § 23-46-206 is amended to read as follows:
12 23-46-206. Employment and duties of staff generally.

13 (a)(1) The Bank Commissioner, in consultation with the Secretary of
14 the Department of Commerce, shall employ from time to time the assistants,
15 examiners, clerks, stenographers, counsel, and other personnel as he or she
16 may find necessary to properly and efficiently discharge the duties of his or
17 her office.

18 (2) The commissioner shall be authorized to set minimum
19 qualifications for these persons and to fix their levels of compensation
20 within the limitations of the numbers of employees and the appropriations for
21 their salaries as provided from time to time by acts of the General Assembly,
22 provided he or she shall incur no expense until an appropriation shall have
23 been made therefor nor in excess of the revenues of the State Bank
24 Department.

25 (b) Counsel employed by the commissioner shall advise the commissioner
26 in all legal matters affecting the ~~department~~ State Bank Department.

27 (c) Notwithstanding any other provisions of state law, and in order to
28 maintain the confidentiality of information and the security of ~~department~~
29 State Bank Department personnel in the performance of their duties, the
30 commissioner shall be authorized to establish travel reimbursement guidelines
31 for payment of expenses of ~~department~~ State Bank Department personnel
32 incurred in the performance of their duties.

33 (d) If the commissioner is not himself or herself at any time
34 available for the transaction of any specific matter committed by law to his
35 or her authority or discretion, any one of the deputy commissioners, or any
36 other staff member so designated by the commissioner in writing, may transact

1 such matter in the name and stead of the commissioner.

2 (e)(1) The commissioner, each member of the State Banking Board, the
3 deputy commissioners, chief examiners, counsel, each examiner, each
4 accountant, each attorney, and each other officer, person, or employee, or
5 both, of or for the ~~department~~ State Bank Department shall not be personally
6 liable for damages occasioned by his or her official acts or omissions,
7 except when the acts or omissions are corrupt and malicious.

8 (2) The Attorney General shall defend any action brought against
9 any of the above-mentioned persons by reason of his or her official acts or
10 omissions, regardless of whether at the time of institution of the action the
11 defendant has terminated his or her service with the ~~department~~ State Bank
12 Department.

13
14 SECTION 462. Arkansas Code § 23-46-207(a)(1), concerning prohibited
15 interests in financial institutions, is amended to read as follows:

16 (a)(1) No employee or officer of the State Bank Department, or
17 employee or officer of the Department of Commerce working within the State
18 Bank Department, who participates in the examination of a financial
19 institution, or who may be called upon to make an official decision or
20 determination affecting the operation of a financial institution, shall be an
21 officer, director, attorney, owner, or holder of stock in any state bank,
22 registered out-of-state bank, or bank holding company which controls a state
23 bank or a registered out-of-state bank, or receive, directly or indirectly,
24 any payment or gratuity from any such organizations.

25
26 SECTION 463. Arkansas Code § 23-46-208 is repealed.

27 ~~23-46-208. Employee bonds.~~

28 ~~(a) All employees shall be required to furnish bonds in such amounts~~
29 ~~as the Bank Commissioner shall deem sufficient to cover the liabilities of~~
30 ~~their respective positions, which bonds may be made by any guaranty company~~
31 ~~authorized to do business in this state.~~

32 ~~(b)(1) The fees paid by any officer or employee of the State Bank~~
33 ~~Department to any guaranty or bonding company for a fidelity bond shall be~~
34 ~~considered and charged as expenses of the department.~~

35 ~~(2) However, the expense of any fidelity bond written on a~~
36 ~~special deputy commissioner appointed as special liquidating agent for an~~

1 insolvent state bank or subsidiary trust company shall be paid out of the
2 assets of the insolvent state bank or subsidiary trust company.

3 ~~(c) No expense shall be incurred until an appropriation shall be made~~
4 ~~for such a purpose, and in no case shall any liability be created for the~~
5 ~~state in excess of the appropriation therefor.~~

6
7 SECTION 464. Arkansas Code § 23-46-209 is amended to read as follows:
8 23-46-209. Records and financial reports – Disposition of funds.

9 (a)~~(1)~~ The Bank Commissioner shall keep a true and perfect record of
10 all of the business of the State Bank Department and shall make monthly
11 reports to the Auditor of State of all fees he or she collects.

12 ~~(2)(A) From the fees or other revenues collected, the~~
13 ~~commissioner:~~

14 ~~(i) Shall deposit directly into the State Bank~~
15 ~~Department Building Fund the amount due, if any, for the annual rental under~~
16 ~~any lease or annual principal and interest payments under any bonds related~~
17 ~~to the acquisition of any properties under § 23-46-202; and~~

18 ~~(ii) May deposit directly into the State Bank~~
19 ~~Department Building Fund an additional annual amount not to exceed ten~~
20 ~~percent (10%) of the original principal amount of any bonds related to the~~
21 ~~acquisition of any properties under § 23-46-202.~~

22 ~~(B) The commissioner shall make the payments under this~~
23 ~~subdivision (a)(2) from the moneys received by the department prior to the~~
24 ~~payment of any of the moneys into the State Treasury.~~

25 ~~(C) Upon the discharge of all bonds and leases authorized~~
26 ~~by § 23-46-202, the commissioner shall deposit into the State Bank Department~~
27 ~~Building Fund an amount deemed necessary by the commissioner for the~~
28 ~~operation and maintenance of the department's properties and the~~
29 ~~establishment and maintenance of appropriate reserves for the repair and~~
30 ~~replacement of the properties acquired under § 23-46-202.~~

31 ~~(D) All fees collected by the commissioner required for~~
32 ~~the payments under this subdivision (a)(2) are specifically declared to be~~
33 ~~cash funds and may be collected and deposited into banks and depositories~~
34 ~~selected by the commissioner.~~

35 ~~(3) The commissioner shall promptly pay to the Treasurer of~~
36 ~~State all fees not necessary for the payments required by subdivision (a)(2)~~

1 ~~of this section, taking duplicate receipts therefor, one (1) of which shall~~
 2 ~~be filed with the Auditor of State.~~

3 (b) All fees and other revenues received by the department ~~not~~
 4 ~~necessary for the payments required by subdivision (a)(2) of this section~~
 5 shall be deposited into the State Treasury as special revenues and credited
 6 to the Bank Department Fund to be used solely for the payment of the expenses
 7 of the department pursuant to the appropriations therefor.

8 (c) Upon proper voucher from the commissioner, the Auditor of State
 9 shall issue the Auditor of State's warrant on the Treasurer of State in
 10 payment of all salaries and other expenses incurred in the administration of
 11 the Arkansas Banking Code of 1997.

12
 13 SECTION 465. Arkansas Code § 23-46-210 is amended to read as follows:

14 23-46-210. Annual and biennial reports of Bank Commissioner.

15 (a) The Bank Commissioner shall make an annual report to the ~~Governor~~
 16 Secretary of the Department of Commerce of the work and the business of the
 17 State Bank Department, which shall embrace a statement of all receipts and
 18 expenditures and the name, officers, directors, domicile, capital, surplus,
 19 net profits, and deposits of each state bank, in the state, and such other
 20 information as the commissioner deems advisable.

21 (b) ~~He or she~~ The commissioner shall also, biennially, make a detailed
 22 estimate of the expenses of the ~~department~~ State Bank Department for the two
 23 (2) succeeding fiscal years.

24
 25 SECTION 466. Arkansas Code § 23-46-303 is amended to read as follows:

26 23-46-303. Study of banking statutes.

27 The State Banking Board is authorized, at such times as it deems
 28 appropriate, to request a review or study of state banking law and to
 29 recommend any changes that it may deem appropriate to the ~~Governor~~ Secretary
 30 of the Department of Commerce.

31
 32 SECTION 467. Arkansas Code § 23-55-607(b)(2)(A), concerning
 33 confidentiality under the Uniform Money Services Act, is amended to read as
 34 follows:

35 (A) Records that reflect discussions between or
 36 consideration by the commissioner or members of ~~his or her staff~~ the staff of

1 the State Securities Department or the staff of the Department of Commerce
 2 working for the State Securities Department, or both, of any action taken or
 3 proposed to be taken by the commissioner or by any members of ~~his or her~~
 4 ~~staff~~ the staff of the State Securities Department of the staff of the
 5 Department of Commerce working for the State Securities Department; and

6
 7 SECTION 468. Arkansas Code § 23-55-607(b)(3)(A), concerning
 8 confidentiality under the Uniform Money Services Act, is amended to read as
 9 follows:

10 (A) Information concerning ~~all~~ employees of the State
 11 Securities Department or employees of the Department of Commerce working for
 12 the State Securities Department and all persons subject to regulation by the
 13 department; and

14
 15 SECTION 469. Arkansas Code § 23-61-101 is amended to read as follows:
 16 23-61-101. State Insurance Department – Continuation – Assignment of
 17 space.

18 (a) There is continued at the seat of government of this state an
 19 office or department designated as the State Insurance Department.

20 (b) Suitable space shall be assigned for the use of the ~~department~~
 21 State Insurance Department.

22 (c)(1)(A) The purpose of the ~~department~~ State Insurance Department is
 23 to serve and protect the public interest by the equitable enforcement of the
 24 state’s laws and regulations affecting the insurance industry.

25 (B) The primary mission of the ~~department~~ State Insurance
 26 Department shall be consumer protection through insurer solvency and market
 27 conduct regulation, and fraud prosecution and deterrence.

28 (2) Nothing in this subsection shall be construed to limit the
 29 Insurance Commissioner’s authority as enumerated in other provisions of the
 30 Arkansas Insurance Code.

31 (d) The State Insurance Department is a division of the Department of
 32 Commerce.

33
 34 SECTION 470. Arkansas Code § 23-61-102(a) and (b), concerning the
 35 Insurance Commissioner, are amended to read as follows:

36 (a) The head of the State Insurance Department shall be an Insurance

1 Commissioner appointed by the Governor with the advice and consent of the
2 Senate. No person shall be eligible for appointment as commissioner unless a
3 citizen of this state and at least thirty (30) years of age.

4 (b) The commissioner shall serve at the pleasure of the Governor and
5 shall report to the Secretary of the Department of Commerce.

6
7 SECTION 471. Arkansas Code § 23-61-102(e)(2), concerning the Insurance
8 Commissioner, is amended to read as follows:

9 (2) The form and surety of the bond shall be subject to the
10 approval of the ~~Governor~~ Secretary of the Department of Commerce and the
11 Auditor of State.

12
13 SECTION 472. Arkansas Code § 23-61-104 is amended to read as follows:
14 23-61-104. Deputies, assistants, and other employees – Appointment –
15 Duties.

16 (a) The Insurance Commissioner, with the approval of the Secretary of
17 the Department of Commerce, may appoint such assistants and deputies and such
18 examiners, attorneys, clerks, stenographers, and other personnel as may be
19 necessary to assist him or her in the discharge of the duties imposed upon
20 him or her under the Arkansas Insurance Code and as may be authorized by law.
21 All such personnel shall devote their entire business time to their duties in
22 the State Insurance Department.

23 (b) The commissioner, with the approval of the Secretary of the
24 Department of Commerce, may employ an actuary on a consulting or full-time
25 basis to perform such duties as the commissioner may designate.

26 (c) The commissioner, with the approval of the Secretary of the
27 Department of Commerce, may at any time terminate the appointment,
28 designation, or employment of any assistant, deputy, examiner, attorney,
29 actuary, clerk, or other employee.

30 (d) The compensation for all such personnel so appointed or employed
31 shall be as fixed by law.

32 (e) The commissioner, with the approval of the Secretary of the
33 Department of Commerce, may contract for and procure on a basis of fee such
34 independently contracting examination, actuarial, technical, and other
35 professional services as he or she may from time to time require for the
36 discharge of his or her duties.

1
2 SECTION 473. Arkansas Code § 23-61-105 is amended to read as follows:

3 23-61-105. Commissioner, deputies, assistants, and other employees –
4 Expense allowance.

5 (a) In addition to compensation for their services, the Insurance
6 Commissioner, his or her deputies, assistants, and other Department of
7 Commerce employees performing duties or working within the State Insurance
8 Department shall be paid their actual and necessary expenses as authorized by
9 the commissioner and incurred by them in the performance of their duties,
10 subject to such limitations as may be otherwise applicable pursuant to law.

11 (b) An itemized statement of all expenses for which payment is being
12 claimed shall be certified by the claimant and attached to the expense
13 voucher.
14

15 SECTION 474. Arkansas Code § 23-61-106 is amended to read as follows:

16 23-61-106. Commissioner, deputies, assistants, and other employees –
17 Financial interest prohibited – Exception.

18 (a) The Insurance Commissioner or any deputy, examiner, assistant, or
19 employee of the commissioner, or any employee of the Department of Commerce
20 working for the State Insurance Department shall not be financially
21 interested, directly or indirectly, in any insurer, insurance agency, or
22 insurance transaction, except as:

23 (1) A policyholder or claimant under a policy;

24 (2) A grantor of a mortgage or similar instrument on the
25 person's residence to an entity regulated under the Arkansas Insurance Code
26 if done under customary terms and in the ordinary course of business; or

27 (3) A settlor or beneficiary of a blind trust into which any
28 otherwise impermissible holdings have been placed, provided that the
29 commissioner may make reasonable exceptions upon full and complete written
30 disclosure to the commissioner of the exact nature and extent of the
31 otherwise impermissible financial interest and adhering to any and all
32 reasonable restrictions as the commissioner may impose upon the terms and
33 conditions of employment.

34 (b) Notwithstanding the requirements of subsection (a) of this
35 section, the commissioner may employ or retain, from time to time, insurance
36 actuaries, technicians, or other professional personnel who are independently

1 practicing their professions even though similarly employed or retained by
2 insurers or others.

3 (c) The commissioner, ~~or~~ any assistant, deputy, examiner, or other
4 employee of the commissioner, or any employee of the Department of Commerce
5 working for the State Insurance Department, shall not be given nor receive
6 any fee, compensation, loan, gift, or other thing of value in addition to the
7 compensation and expense allowance provided pursuant to law for any service
8 rendered or to be rendered as commissioner, deputy, examiner, or employee, or
9 in connection therewith.

10
11 SECTION 475. Arkansas Code § 23-16-108(a)(1), concerning the rules and
12 regulations to effectuate the Arkansas Insurance Code, is amended to read as
13 follows:

14 (a)(1) The Insurance Commissioner, with the approval of the Secretary
15 of the Department of Commerce, may make reasonable rules and regulations
16 necessary for or as an aid to the effectuation of any provision of the
17 Arkansas Insurance Code.

18
19 SECTION 476. Arkansas Code § 23-16-108(b)(1), concerning the rules and
20 regulations to effectuate the Arkansas Insurance Code, is amended to read as
21 follows:

22 (b)(1) The commissioner, with the approval of the Secretary of the
23 Department of Commerce, shall have the authority to promulgate rules and
24 regulations necessary for the effective regulation of the business of
25 insurance or as required for this state to be in compliance with federal
26 laws.

27
28 SECTION 477. Arkansas Code § 23-61-112(a), concerning the annual
29 report of the Insurance Commissioner, is amended to read as follows:

30 (a) As early in the calendar year as reasonably possible, the
31 Insurance Commissioner annually shall prepare and deliver a report to the
32 ~~Governor~~ Secretary of the Department of Commerce showing, with respect to the
33 preceding calendar year:

34 (1) Names of the authorized insurers transacting insurance in
35 this state, with a summary of their financial statements that the
36 commissioner considers proper;

1 (2) Names of admitted insurers that closed during the year or
 2 entered liquidation, a concise statement concerning the cause for each
 3 proceeding, and the amount of assets and liabilities as ascertainable;

4 (3) The total receipts and expenses of the State Insurance
 5 Department for the year; and

6 (4) Other pertinent information and matters the commissioner
 7 considers proper.

8
 9 SECTION 478. Arkansas Code § 23-61-116 is amended to read as follows:
 10 23-61-116. Annual report on health insurance fraud.

11 Annually on or before March 1, the Insurance Commissioner shall submit
 12 to the ~~Governor~~ Secretary of the Department of Commerce, the President Pro
 13 Tempore of the Senate, the Speaker of the House of Representatives, and the
 14 Attorney General a report summarizing the State Insurance Department's
 15 activities to investigate and combat health insurance fraud, including
 16 without limitation information regarding:

- 17 (1) Referrals received;
- 18 (2) Investigations initiated;
- 19 (3) Investigations completed; and
- 20 (4) Other material necessary or desirable to evaluate the
 21 department's efforts under this section.

22
 23 SECTION 479. Arkansas Code § 23-61-1004(c), concerning the
 24 administration of the Arkansas Works Program, is amended to read as follows:

25 (c) The Department of Human Services, the State Insurance Department,
 26 the ~~Department~~ Division of Workforce Services, and other necessary state
 27 agencies shall promulgate and administer rules to implement the Arkansas
 28 Works Program.

29
 30 SECTION 480. The introductory language of Arkansas Code § 23-61-
 31 1004(g)(1), concerning the administration of the Arkansas Works Program, is
 32 amended to read as follows:

33 (g)(1) On a quarterly basis, the Department of Human Services, the
 34 State Insurance Department, the ~~Department~~ Division of Workforce Services,
 35 and other necessary state agencies shall report to the Legislative Council,
 36 or to the Joint Budget Committee if the General Assembly is in session,

1 available information regarding the overall Arkansas Works Program, including
2 without limitation:

3
4 SECTION 481. The introductory language of Arkansas Code § 23-61-
5 1005(b)(1), concerning requirements for eligible individuals, is amended to
6 read as follows:

7 (b)(1) An eligible individual who has up to fifty percent (50%) of the
8 federal poverty level at the time of an eligibility determination shall be
9 referred to the ~~Department~~ Division of Workforce Services to:

10
11 SECTION 482. Arkansas Code § 23-61-1005(b)(2), concerning requirements
12 for eligible individuals, is amended to read as follows:

13 (2) The Department of Human Services or its designee shall
14 provide work training opportunities, outreach, and education about work and
15 work training opportunities through the ~~Department~~ Division of Workforce
16 Services to all eligible individuals regardless of income at the time of an
17 eligibility determination.

18
19 SECTION 483. Arkansas Code § 23-61-1103(c)-(e), concerning the powers
20 and duties of the State Board of Embalmers, Funeral Directors, Cemeteries,
21 and Burial Services, are amended to read as follows:

22 (c)(1) The commissioner, with the approval of the Secretary of the
23 Department of Commerce, may appoint assistants and deputies and examiners,
24 inspectors, attorneys, clerks, stenographers, and other personnel as may be
25 necessary to assist him or her in the discharge of the duties imposed upon
26 him or her in overseeing the board.

27 (2) Personnel under subdivision (c)(1) of this section shall
28 devote their entire business time to carrying out official duties concerning
29 the board, or if appropriate, the State Insurance Department.

30 (d) The powers and authority under subsection (a) of this section
31 shall not be in diminution or limitation of the powers and authority vested
32 in the board by the various sections of this subchapter, but the board shall
33 possess all powers and authority, whether set forth in this section or not,
34 to enable it to carry out the intent and purpose of this subchapter.

35 (e)(1) The board, when it shall deem necessary, shall be represented
36 by the ~~department~~ State Insurance Department.

1 (2)(A) If deemed necessary by the board, the board may employ
2 special counsel whose services shall be paid for from funds of the board.

3 (B) Special counsel shall be retained only with the prior
4 approval of the commissioner.

5
6 SECTION 484. Arkansas Code § 23-61-1104(a)(1), concerning the
7 Executive Secretary of the State Board of Embalmers, Funeral Directors,
8 Cemeteries, and Burial Services, is amended to read as follows:

9 (a)(1) The Insurance Commissioner, with the approval of the Secretary
10 of the Department of Commerce, may appoint and employ a person as the
11 Executive Secretary of the State Board of Embalmers, Funeral Directors,
12 Cemeteries, and Burial Services who shall serve at the pleasure of the
13 commissioner.

14
15 SECTION 485. Arkansas Code § 23-61-1106(a)(1), concerning the
16 Inspector of the State Board of Embalmers, Funeral Directors, Cemeteries, and
17 Burial Services and funeral directing, embalming, cremating, or transferring
18 human remains, is amended to read as follows:

19 (a)(1) The Insurance Commissioner may ~~appoint~~ request that the
20 Department of Commerce employ an agent or agents as Inspector of the State
21 Board of Embalmers, Funeral Directors, Cemeteries, and Burial Services.

22
23 SECTION 486. Arkansas Code § 23-92-403(f), concerning the relationship
24 of the Arkansas Professional Employer Organization Recognition and Licensing
25 Act to other laws, is amended to read as follows:

26 (f)(1) Applicants for licensing or a professional employer
27 organization licensed under this subchapter authorize the ~~Department~~ Division
28 of Workforce Services, the Workers' Compensation Commission, and the State
29 Insurance Department, or their successors, to release otherwise confidential
30 information to the other departments or commission in this subdivision (f)(1)
31 concerning the applicant or professional employer organization upon the
32 written request by the requesting department or commission.

33 (2) The ~~Department~~ Division of Workforce Services, the Workers'
34 Compensation Commission, and the State Insurance Department shall maintain
35 the confidentiality of information received under subdivision (f)(1) of this
36 section unless the information is introduced into evidence at an

1 administrative proceeding or at a civil or criminal trial arising out of a
2 violation of this subchapter that involves the applicant, the professional
3 employer organization, or the controlling person.
4

5 SECTION 487. Arkansas Code § 23-92-403(g)(2)(A), concerning the
6 relationship of the Arkansas Professional Employer Organization Recognition
7 and Licensing Act to other laws, is amended to read as follows:

8 (A) Section 11-2-101 et seq., § 11-3-101 et seq., § 11-4-
9 101 et seq., § 11-5-101 et seq., § 11-6-101 et seq., § 11-7-201 et seq., the
10 ~~Department~~ Division of Workforce Services Law, § 11-10-101 et seq., and § 11-
11 12-101 et seq.;

12
13 SECTION 488. Arkansas Code § 23-92-404(d)(3)(B)(ii)(d), concerning
14 licensing and renewal under the Arkansas Professional Employer Organization
15 Recognition and Licensing Act, is amended to read as follows:

16 (d) The commissioner shall provide a copy of
17 the order entered under subdivision (d)(3)(B)(ii)(a) of this section to the
18 Workers' Compensation Commission and the ~~Department~~ Division of Workforce
19 Services or their successors.
20

21 SECTION 489. Arkansas Code § 23-92-409(j)(2), concerning the
22 coemployment relationship between the client and the professional employer
23 organization and each coemployer governed by a professional employer
24 agreement, is amended to read as follows:

25 (j) A licensed professional employer organization shall be deemed an
26 employer of the covered employees and shall perform the following employer
27 responsibilities in conformity with all applicable federal and state laws and
28 regulations to:

29 (2) Pay unemployment taxes as required by the ~~Department~~
30 Division of Workforce Services Law, § 11-10-101 et seq.;

31
32 SECTION 490. Arkansas Code § 23-92-413(b), concerning nondisclosure of
33 proprietary information, is amended to read as follows:

34 (b) Notwithstanding subsection (a) of this section or any other law
35 governing disclosure of confidential information, the commissioner, the
36 Director of the ~~Department~~ Division of Workforce Services, and the Workers'

1 Compensation Commission may exchange information among themselves for the
2 purposes of regulating professional employer organizations.

3
4 SECTION 491. Arkansas Code § 23-98-108(e), concerning payroll
5 deduction and a notice of minimum basic benefit policies, is amended to read
6 as follows:

7 (e) Upon request by the commissioner, the ~~Department~~ Division of
8 Workforce Services is authorized to provide a copy of the form of notice
9 prepared by the commissioner to employers as the commissioner and the
10 ~~department~~ division may agree upon.

11
12 SECTION 492. Arkansas Code § 25-1-104 is amended to read as follows:

13 25-1-104. Access of Department of Finance and Administration to agency
14 records.

15 The Revenue Division of the Department of Finance and Administration,
16 the ~~Department~~ Division of Workforce Services, the University of Arkansas at
17 Little Rock, the University of Arkansas at Fayetteville, the Arkansas
18 Economic Development Commission, and any other state agency, board,
19 commission, department, institution, college, university, or authority shall
20 make data, information, statistics, or other records of information available
21 to the Department of Finance and Administration. Provided, however, that such
22 information and records shall not identify persons, people, conglomerates,
23 corporations, monopolies, or others that would from any published data or
24 data within the possession of the office of the Director of the Department of
25 Finance and Administration reveal the identity or any information or data of
26 that particular identity that would be in conflict with federal laws.

27
28 SECTION 493. Arkansas Code § 25-3-104(a), concerning the creation of
29 the Arkansas Natural and Cultural Heritage Advisory Committee, is amended to
30 read as follows:

31 (a) There is established an Arkansas Natural and Cultural Heritage
32 Advisory Committee whose members shall consist of:

33 (1) The Director of the ~~Department~~ Division of Arkansas
34 Heritage;

35 (2) The ~~Executive~~ Director of the Arkansas Economic Development
36 Commission;

- 1 (3) The Director of State Highways and Transportation;
- 2 (4) The ~~Director~~ Secretary of the Department of Health;
- 3 (5) The Director of the ~~Department~~ Division of Parks and
- 4 Tourism;
- 5 (6) The Director of the Arkansas State Game and Fish Commission;
- 6 (7) A person appointed by the Governor;
- 7 (8) A person appointed by the President Pro Tempore of the
- 8 Senate; and
- 9 (9) A person appointed by the Speaker of the House of
- 10 Representatives.

11
 12 SECTION 494. The introductory language of Arkansas Code § 25-8-
 13 110(6)(A), concerning additional duties of the Department of Finance and
 14 Administration, is amended to read as follows:

15 (6)(A) With assistance from the ~~Department~~ Division of Workforce
 16 Services, establish and maintain a web page to:

17
 18 SECTION 495. Arkansas Code § 25-8-110(6)(B)(ii), concerning additional
 19 duties of the Department of Finance and Administration, is amended to read as
 20 follows:

21 (ii) Unemployment and new hire submissions
 22 administered by the ~~Department~~ Division of Workforce Services; and

23
 24 SECTION 496. Arkansas Code § 25-10-205(h), concerning the creation of
 25 the Board of the Division of State Services for the Blind, is amended to read
 26 as follows:

27 (h) The board, in consultation with the Secretary of the Department of
 28 Commerce, shall employ a commissioner, subject to the approval of the
 29 Governor, qualified by experience to administer and implement the policies
 30 and directives of the board. ~~The board may employ or appoint any additional~~
 31 ~~personnel necessary to carry out the functions, duties, and responsibilities~~
 32 ~~entrusted to the Division of State Services for the Blind in accordance with~~
 33 ~~the requirements of law and within the limits of available appropriations.~~

34
 35 SECTION 497. Arkansas Code § 25-10-206 is amended to read as follows:
 36 25-10-206. Legal counsel.

1 The Division of State Services for the Blind within the Department of
2 ~~Human Services Commerce~~ or any employees or committees thereof shall be
3 entitled to the services of the Attorney General in connection with the
4 operation of the affairs of the division.

5
6 SECTION 498. Arkansas Code § 25-10-207 is amended to read as follows:

7 25-10-207. Division of State Services for the Blind Fund.

8 Any sums provided by the General Assembly for the purposes of this
9 subchapter shall be kept by the Treasurer of State in a fund to be designated
10 as the ~~State Services for the Blind Fund Account of the Department of Human~~
11 ~~Services Fund~~ "State Services for the Blind Fund Account of the Department of
12 Commerce Fund" and shall be used to carry out the particular purposes
13 assigned to it in this subchapter.

14
15 SECTION 499. Arkansas Code § 25-10-208 is amended to read as follows:

16 25-10-208. State services for the blind – Supplemental insurance.

17 Staff members who transport blind and visually impaired persons on
18 official state business of the Division of State Services for the Blind
19 within the Department of ~~Human Services Commerce~~ are entitled to
20 reimbursement for supplemental insurance costs. Costs incurred for
21 supplemental liability automobile insurance above the minimum required by law
22 for the purpose of including coverage for work-related activities shall be
23 reimbursed through standard travel procedures annually, not to exceed fifty
24 dollars (\$50.00) per year.

25
26 SECTION 500. Arkansas Code § 25-10-209(a), concerning the creation of
27 Information Reading Services for the Blind, is amended to read as follows:

28 (a) ~~The~~ Information Reading Services for the Blind is created within
29 the Division of State Services for the Blind of the Department of ~~Human~~
30 ~~Services Commerce~~.

31
32 SECTION 501. Arkansas Code § 25-10-209(d), concerning the creation of
33 Information Reading Services for the Blind, is amended to read as follows:

34 (d) The Director of the Division of State Services for the Blind of
35 the Department of ~~Human Services Commerce~~ shall consult at least annually
36 with active consumers of Information Reading Services for the Blind,

1 including participating state agencies, in the design, improvement, and
2 delivery of the services.

3
4 SECTION 502. Arkansas Code § 25-11-101 is amended to read as follows:

5 25-11-101. Creation – Director – Organization – Personnel.

6 (a) There is created the Arkansas Economic Development Commission.

7 (b)(1) The executive head of the commission shall be the Director of
8 the Arkansas Economic Development Commission. The director shall be appointed
9 by the Governor, with the advice of the Arkansas Economic Development Council
10 and the consent of the Senate, and shall serve at the pleasure of the
11 Governor.

12 (2) The director shall report to the Secretary of the Department
13 of Commerce.

14 (c) The commission shall consist of the divisions that may be
15 necessary to fulfill its purposes and that may be created by law and placed
16 under the commission.

17 (d) The director, with the advice and consent of the Governor, shall
18 appoint the heads of the respective divisions. All other personnel of the
19 commission shall be employed by and shall serve at the pleasure of the
20 director. However, nothing in this section shall be so construed as to
21 reduce any right that an employee of the commission shall have under any
22 civil service or merit system.

23 (e) Each division of the commission shall be under the direction,
24 control, and supervision of the director. The director may delegate his or
25 her functions, powers, and duties to various divisions of the commission as
26 he or she shall deem desirable and necessary for the effective and efficient
27 operation of the commission.

28 (f) All personnel of the commission shall be considered employees of
29 the Department of Commerce.

30
31 SECTION 503. Arkansas Code § 25-15-202(2)(C), concerning the
32 definition of "agency" under the Administrative Procedures Act, is amended to
33 read as follows:

34 (C) The word "agency" shall not include the Arkansas
35 Public Service Commission, the Arkansas Pollution Control and Ecology
36 Commission, the Workers' Compensation Commission, and the ~~Department~~ Division

1 of Workforce Services, as the existing laws governing those agencies provide
2 adequate administrative procedures for those agencies.

3
4 SECTION 504. Arkansas Code § 25-27-103(a)(1), concerning the creation
5 of the board of the Information Network of Arkansas, is amended to read as
6 follows:

7 (1) The ~~Executive~~ Director of the Arkansas Economic Development
8 Commission or his or her designee;

9
10 SECTION 505. Arkansas Code § 25-27-103(a)(3) and (4), concerning the
11 creation of the board of the Information Network of Arkansas, are amended to
12 read as follows:

13 (3) The ~~Director~~ Secretary of the Department of Finance and
14 Administration, or the ~~director's~~ his or her designee;

15 (4) Two (2) members, or their designees, who are chief executive
16 officers of agencies of the executive branch other than the Department of
17 Finance and Administration and the ~~Department~~ Division of Information
18 Systems, shall be appointed by the Governor;

19
20 SECTION 506. Arkansas Code § 25-27-103(a)(8), concerning the creation
21 of the board of the Information Network of Arkansas, is amended to read as
22 follows:

23 (8) The Director of the ~~Department~~ Division of Information
24 Systems, or the director's designee.

25
26 SECTION 507. Arkansas Code § 25-29-110 is amended to read as follows:
27 25-29-110. Annual report.

28 The Board of Directors of the Arkansas Deaf and Hearing Impaired
29 Telecommunications Services Corporation shall transmit to the Legislative
30 Council, the ~~Governor~~ Secretary of the Department of Commerce, and the
31 Arkansas Public Service Commission an annual report of its activities. The
32 annual report shall be filed by March 31 of each year.

33
34 SECTION 508. Arkansas Code § 25-30-101(b)(2)(B) and (C), concerning
35 creation and membership of the Career and Technical Education and Workforce
36 Development Board, are amended to read as follows:

1 (B) The Director of the ~~Department~~ Division of Higher
 2 Education;

3 (C) The ~~Executive~~ Director of the Arkansas Community
 4 Colleges;

5
 6 SECTION 509. Arkansas Code § 25-30-101(b)(2)(E), concerning creation
 7 and membership of the Career Education and Workforce Development Board, is
 8 amended to read as follows:

9 (E) The Director of the ~~Department~~ Division of Workforce
 10 Services;

11
 12 SECTION 510. Arkansas Code § 25-30-109(a)(1) and (2), concerning the
 13 creation and duties of the Office of Skills Development, are amended to read
 14 as follows:

15 (a)(1) There is created within the ~~Department of Career Education~~
 16 ~~under the oversight of the Career Education and Workforce Development Board~~
 17 ~~an~~ Department of Commerce Office of Skills Development.

18 (2)(A) The Director of the Office of Skills Development shall be
 19 appointed by the ~~Director of the Department of Career Education~~ Secretary of
 20 the Department of Commerce in consultation with the Career Education and
 21 Workforce Development Board.

22 (B) The Director of the ~~Department of Career Education~~
 23 Office of Skills Development may hire personnel necessary to carry out the
 24 duties of the office.

25
 26 SECTION 511. Arkansas Code § 25-30-109(b)(7), concerning the creation
 27 and duties of the Office of Skills Development, is amended to read as
 28 follows:

29 (7)(A) Use ~~the Department of Career Education and other~~
 30 available labor market information systems to collect, analyze, and
 31 disseminate information on current and projected employment opportunities in
 32 this state and other appropriate information relating to labor market
 33 dynamics as determined by the office.

34 (B) The office shall make the information contained in the
 35 labor market information system available on the ~~Department of Career~~
 36 ~~Education's~~ Office of Skills Development's website.

1
2 SECTION 512. Arkansas Code § 25-30-202(b), concerning the scope of
3 authority of the Rehabilitation Act of Arkansas, is amended to read as
4 follows:

5 (b) Any and all statutory authority, powers, duties, functions,
6 records, authorized positions, property, unexpended balances of
7 appropriations, allocations, or other funds transferred from the Division of
8 Rehabilitation Services to the Department of Human Services by Acts 1985, No.
9 348, are hereby transferred to the Arkansas Rehabilitation Services of the
10 ~~Department of Career Education~~ Division of Workforce Services.

11
12 SECTION 513. Arkansas Code § 25-30-203(a), concerning the powers and
13 duties of the State Board of Career Education, is amended to read as follows:

14 (a) ~~The State Board of Career Education~~ Arkansas Workforce Development
15 Board, through the Arkansas Rehabilitation Services of the ~~Department of~~
16 ~~Career Education~~ Division of Workforce Services, shall provide the
17 rehabilitation services authorized by this subchapter to eligible physically
18 or mentally disabled individuals and those who can benefit from vocational
19 rehabilitation and independent living services, as determined by the agency
20 to be eligible therefor.

21
22 SECTION 514. Arkansas Code § 25-30-205 is amended to read as follows:

23 25-30-205. Office facilities.

24 ~~The Building Authority Division of the Department of Finance and~~
25 ~~Administration~~ shall ensure that all offices of the Arkansas Rehabilitation
26 Services of the ~~Department of Career Education~~ Division of Workforce Services
27 are exemplary models of accessibility and conform to the Americans with
28 Disabilities Act, 42 U.S.C. § 12101 et seq., accessibility guidelines.

29
30 SECTION 515. Arkansas Code § 25-30-206(b)(1), concerning the creation
31 of the Arkansas Rehabilitation Services Forgiveness of Student Loan Program,
32 is amended to read as follows:

33 (b)(1) The program shall be administered by the Arkansas
34 Rehabilitation Services of the ~~Department of Career Education~~ Division of
35 Workforce Services.

36

1 SECTION 516. Arkansas Code § 26-18-303(b)(21), concerning exceptions
2 to confidential and privileged tax records, is amended to read as follows:

3 (21)(A) To perform audit and compliance duties, disclosure to
4 the ~~Department~~ Division of Workforce Services of withholding tax information
5 reported by companies doing business in Arkansas, including without
6 limitation taxpayer names, taxpayer addresses, tax identification numbers,
7 and tax withholding information.

8 (B) Information received by the ~~Department~~ Division of
9 Workforce Services under this section shall remain confidential and is not
10 subject to disclosure except in accordance with this section;

11
12 SECTION 517. Arkansas Code § 26-51-505(e)(2), concerning the
13 establishment or expansion of a manufacturing enterprise, is amended to read
14 as follows:

15 (2) The division shall consult with the ~~Department~~ Division of
16 Workforce Services and the Arkansas Economic Development Council during the
17 promulgation of the rules and regulations.

18
19 SECTION 518. Arkansas Code § 26-51-506(c)(2)(B)(vi) and (vii),
20 concerning unused and carry forward tax credits for waste reduction, reuse,
21 or recycling equipment, are amended to read as follows:

22 (vi) Beginning July 1, 2016, by July 15 of each
23 year, the public retirement system with possession and control of the tax
24 credits under this subdivision (c)(2)(B) shall provide notice to the
25 Department of Finance and Administration of the amount of tax credits,
26 including tax credits pending certification by the ~~Arkansas Department~~
27 Division of Environmental Quality, subject to the limitations in subdivision
28 (c)(2)(B)(iii) of this section, to be sold or transferred for value.

29 (vii) The State of Arkansas shall pay the purchase
30 price equal to eighty percent (80%) of the face value of all of the tax
31 credits included in the notice required in subdivision (c)(2)(B)(vi) of this
32 section on or before June 30 of the year following the year in which the
33 notice was provided for all tax credits certified by the ~~Arkansas Department~~
34 Division of Environmental Quality by June 30 of the year following the year
35 in which the notice was provided by warrant from the Economic Development
36 Incentive Fund funded by a transfer from general revenue.

1
2 SECTION 519. Arkansas Code § 26-51-506(c)(3)(D)(v) and (vi),
3 concerning eligibility for a tax credits by a public retirement system for
4 waste reduction, reuse, or recycling equipment, are amended to read as
5 follows:

6 (v) Beginning July 1, 2020, by July 15 of each year,
7 the public retirement system with possession and control of the tax credits
8 under this subdivision (c)(3)(D) shall provide notice to the Department of
9 Finance and Administration of the amount of tax credits, including tax
10 credits expected to receive certification during the fiscal year by the
11 ~~Arkansas Department~~ Division of Environmental Quality, subject to the
12 limitations in subdivision (c)(3)(D)(iii) of this section, to be sold or
13 transferred for value.

14 (vi) The State of Arkansas shall pay the purchase
15 price equal to eighty percent (80%) of the face value of all of the tax
16 credits included in the notice required in subdivision (c)(3)(D)(v) of this
17 section on or before June 30 of the calendar year following the calendar year
18 in which the notice was provided for all tax credits certified by the
19 ~~Arkansas Department~~ Division of Environmental Quality by June 30 of the
20 calendar year following the calendar year in which the notice was provided by
21 warrant from the Economic Development Incentive Fund funded by a transfer
22 from general revenue.

23
24 SECTION 520. Arkansas Code § 26-51-506(d), concerning the procedure to
25 claim tax credits for waste reduction, reuse, or recycling equipment, is
26 amended to read as follows:

27 (d) To claim the benefits of this section, a taxpayer must obtain a
28 certification from the Director of the ~~Arkansas Department~~ Division of
29 Environmental Quality certifying to the Revenue Division of the Department of
30 Finance and Administration that:

31 (1) The taxpayer is engaged in the business of reducing,
32 reusing, or recycling solid waste material for commercial purposes, whether
33 or not for profit;

34 (2) The machinery or equipment purchased is waste reduction,
35 reuse, or recycling equipment;

36 (3) The machinery or equipment is being used in the collection,

1 separation, processing, modification, conversion, treatment, or manufacturing
2 of products containing at least fifty percent (50%) recovered materials,
3 provided that at least ten percent (10%) of the recovered materials shall be
4 post-consumer waste; and

5 (4) The taxpayer has filed a statement with the director
6 acknowledging that the taxpayer will make a good faith effort to utilize
7 post-consumer waste generated in Arkansas as at least ten percent (10%) of
8 the post-consumer waste being used in the equipment, to the extent available
9 at a competitive price.

10
11 SECTION 521. Arkansas Code § 26-51-506(f)(5), concerning eligibility,
12 timing and application for tax credits for waste reduction, reuse, or
13 recycling equipment, is amended to read as follows:

14 (5)(A) This subsection shall apply to all credits which are
15 certified as a result of applications for certification filed with the
16 ~~Arkansas Department~~ Division of Environmental Quality on or after July 1,
17 1993.

18 (B) This subsection shall not apply to credits which are
19 certified as a result of applications for certification filed with the
20 ~~Arkansas Department~~ Division of Environmental Quality prior to July 1, 1993.

21 (C) Taxpayers who file written notice and a project plan
22 with the ~~Arkansas Department~~ Division of Environmental Quality prior to July
23 1, 1993, shall be deemed to have filed an application for certification for
24 purposes of this subdivision (f)(5), provided that all the information
25 necessary to complete the application for certification is provided to the
26 ~~Arkansas Department~~ Division of Environmental Quality on or before December
27 31, 1993.

28
29 SECTION 522. Arkansas Code § 26-51-506(k)(1)(A), concerning the
30 authority of the Arkansas Department of Environmental Quality to promulgate
31 rules for eligibility for a tax credit for waste reduction, reuse, or
32 recycling equipment, is amended to read as follows:

33 (k)(1)(A) The ~~Arkansas Department~~ Division of Environmental Quality
34 and the division shall promulgate rules or regulations as are necessary to
35 administer this section.

36

1 SECTION 523. Arkansas Code § 26-51-815(d)(2)(D), concerning the
2 definition of "qualified technology incubator" under the laws regarding
3 computing capital gains and losses, is amended to read as follows:

4 (D) "Qualified technology incubator" means a business
5 incubator certified by the ~~Executive~~ Director of the Arkansas Economic
6 Development Commission with the advice of the Board of Directors of the
7 Division of Science and Technology of the Arkansas Economic Development
8 Commission as being a facility operated in cooperation with an Arkansas
9 college or university to foster the growth of technology-based enterprises.
10

11 SECTION 524. Arkansas Code § 26-51-1102(c)(2)(A), concerning the
12 granting of a tax credit for donations of new machinery or equipment by
13 taxpayer to an educational institution, is amended to read as follows:

14 (A) Be consistent with the research and development plan
15 approved by the ~~Executive~~ Director of the Arkansas Economic Development
16 Commission with the advice of the Board of Directors of the Division of
17 Science and Technology of the Arkansas Economic Development Commission, as
18 evidenced by a letter of support from the ~~executive~~ director; and
19

20 SECTION 525. Arkansas Code § 26-51-1105 is amended to read as follows:

21 26-51-1105. Rules and regulations.

22 The ~~Director~~ Secretary of the Department of Finance and Administration,
23 the Director of the ~~Department~~ Division of Higher Education, the Director of
24 the ~~Department~~ Division of Career and Technical Education, the Director of
25 the ~~Department~~ Division of Workforce Education, and the ~~Executive~~ Director of
26 the Arkansas Economic Development Commission shall promulgate such reasonable
27 rules as they shall deem necessary and appropriate to carry out the purposes
28 of this subchapter.
29

30 SECTION 526. Arkansas Code § 26-51-2005(b) and (c), concerning the
31 qualification and determination of credits under the Manufacturer's
32 Investment Tax Credit Act, are amended to read as follows:

33 (b)(1) Upon determination by the Director of the Arkansas Economic
34 Development Commission that the project qualifies for credit under this
35 subchapter, the Director of the Arkansas Economic Development Commission
36 shall certify to the ~~Director~~ Secretary of the Department of Finance and

1 Administration that the project is qualified and transmit with his or her
2 certification the documents upon which the certification was based or copies.

3 (2) Upon receipt by the ~~Director~~ Secretary of the Department of
4 Finance and Administration of a certification from the Director of the
5 Arkansas Economic Development Commission that an eligible business is
6 entitled to credit under this subchapter, the ~~Director~~ Secretary of the
7 Department of Finance and Administration shall provide forms to the eligible
8 business on which to claim the credit.

9 (c)(1) At the end of the calendar year in which the application was
10 made to the Director of the Arkansas Economic Development Commission and at
11 the end of each calendar year thereafter until the project is completed, the
12 eligible business shall certify on the form provided by the ~~Director~~
13 Secretary of the Department of Finance and Administration the amount of
14 expenditures on the project during the preceding calendar year.

15 (2)(A) Upon receipt of the form certifying expenditures, the
16 ~~Director~~ Secretary of the Department of Finance and Administration shall
17 determine the amount due as a credit for the preceding calendar year and
18 issue a memorandum of credit to the eligible business in the amount of seven
19 percent (7%) of the expenditure.

20 (B)(i)(a) Except as provided in § 26-51-2007, the credit
21 shall then be applied against the eligible business' state income tax
22 liability in the year following the year of the expenditure.

23 (b) However, if the credit is not used in the
24 calendar year following the expenditure, it may be carried over to the next
25 succeeding calendar year for a total period of six (6) years following the
26 year in which the credit was first available for use or until the credit is
27 exhausted, whichever occurs first.

28 (ii) In no event shall the credit used on any
29 regular return be more than fifty percent (50%) of the eligible business'
30 total state income tax liability for the reporting period.

31 (iii) The ~~Director~~ Secretary of the Department of
32 Finance and Administration may require proof of these expenditures.

33 (iv) The ~~Director~~ Secretary of the Department of
34 Finance and Administration may examine those records necessary and specific
35 to the project to determine credit eligibility. Any credits disallowed shall
36 be subject to payment in full.

1
2 SECTION 527. Arkansas Code § 27-3-103(b)(3)(A), concerning the
3 creation of the Arkansas Public Transportation Coordination Council, is
4 amended to read as follows:

5 (A) The ~~Director~~ Secretary of the Department of Human
6 Services or his or her designee;

7
8 SECTION 528. Arkansas Code § 27-3-103(b)(3)(C), concerning the
9 creation of the Arkansas Public Transportation Coordination Council, is
10 amended to read as follows:

11 (C) The ~~Director~~ Secretary of the Department of Health or
12 his or her designee;

13
14 SECTION 529. Arkansas Code § 27-3-103(b)(3)(E), concerning the
15 creation of the Arkansas Public Transportation Coordination Council, is
16 amended to read as follows:

17 (E) The ~~Executive~~ Director of the Arkansas Economic
18 Development Commission or his or her designee;

19
20 SECTION 530. Arkansas Code § 27-115-101 is amended to read as follows:
21 27-115-101. Creation.

22 There is created a commission to be known as the "~~Arkansas Department~~
23 Division of Aeronautics", which shall maintain an office in the City of
24 Little Rock.

25
26 SECTION 531. Arkansas Code § 27-115-102 is amended to read as follows:
27 27-115-102. Purpose.

28 The ~~Arkansas Department~~ Division of Aeronautics is established and
29 authorized to represent the State of Arkansas in the promotion and
30 development of landing fields, airports, hangars, and other aeronautical
31 projects and to cooperate with and secure the cooperation of the Federal
32 Aviation Administration and any other duly authorized federal agencies
33 interested in the development of aeronautics.

34
35 SECTION 532. Arkansas Code § 27-115-103(a), concerning the Arkansas
36 Department of Aeronautics, is amended to read as follows:

1 (a) The ~~Arkansas Department~~ Division of Aeronautics shall be composed
2 of seven (7) members appointed by the Governor.

3
4 SECTION 533. Arkansas Code § 27-115-104 is amended to read as follows:
5 27-115-104. Director.

6 Any person employed as Director of the ~~Arkansas Department~~ Division of
7 Aeronautics shall possess the qualifications of a multi-engine commercial
8 pilot. No other flight or pilot qualification shall be required for such
9 director.

10
11 SECTION 534. Arkansas Code § 27-115-105 is amended to read as follows:
12 27-115-105. Secretary Director.

13 (a) The Secretary Director of the ~~Arkansas Department~~ Division of
14 Aeronautics, ~~or the administrative head of the department,~~ shall be appointed
15 by the ~~department~~ Secretary of the Department of Commerce with the approval
16 of the Governor and shall serve at the pleasure of the Governor.

17 (b) The director shall report to the secretary.

18
19 SECTION 534. Arkansas Code § 27-115-106 is amended to read as follows:
20 27-115-106. Administration – Promulgation of rules and regulations.

21 The ~~Arkansas Department~~ Division of Aeronautics shall administer the
22 provisions of this chapter and § 27-116-101 et seq. and is authorized and
23 directed to promulgate regulations, as approved by the Secretary of the
24 Department of Commerce, as necessary to execute the powers invested in ~~it~~ the
25 division by this chapter and § 27-116-101 et seq. and other applicable laws.

26
27 SECTION 536. Arkansas Code § 27-115-107 is amended to read as follows:
28 27-115-107. Powers generally.

29 (a) The ~~Arkansas Department~~ Division of Aeronautics shall have the
30 right to:

31 (1) Receive grants and donations, appropriations, and other
32 funds or materials on behalf of the state or any county or municipality for
33 utilization in the development of aeronautics, provided that the ~~department~~
34 division shall not have the right to use the funds received for a particular
35 purpose for any other purpose without the consent of the person or agency
36 providing the particular funds; and

1 (2) Plan and lay out a state system of landing fields, airports,
2 and airways and to inspect them and to close any landing field or airport
3 found to be unsafe.

4 (b) The ~~department~~ division is authorized:

5 (1) To accept as a loan or a gift any aircraft made available
6 for its use by the federal government or any agency thereof; or

7 (2) To match any funds made available by the federal government,
8 any agency thereof, or any person or corporation with any moneys available to
9 the ~~department~~ division for the purpose of acquiring any aircraft which it
10 may deem necessary to the proper performance of its duties as provided by
11 law.

12
13 SECTION 537. Arkansas Code § 27-115-108 is amended to read as follows:
14 27-115-108. Duties generally.

15 (a) It shall be the duty of the ~~Arkansas Department~~ Division of
16 Aeronautics to:

17 (1) Provide for the examination, rating, and licensing of
18 airports, landing fields, and air navigation facilities available for the use
19 of aircraft;

20 (2) Adopt, with the approval of the Secretary of the Department
21 of Commerce, rules and regulations for the issuance, expiration, suspension,
22 or revocation of licenses of airports, landing fields, and air navigation
23 facilities, and of other licenses or certificates that the ~~department~~
24 division deems necessary in administering the functions vested in the
25 ~~department~~ division under this chapter and § 27-116-101 et seq.;

26 (3) Establish, set apart, and provide for the protection of
27 necessary air space reservations within the state in addition to and not in
28 conflict with air space reservations established by the President of the
29 United States or any department of the United States or with any civil or
30 military airway designated under the provisions of the Air Commerce Act of
31 1926 and the amendments thereto, or other act of Congress pertaining thereto;

32 (4) Designate, establish, and chart civil airways within, over,
33 and above the lands or waters of the state and arrange for publication of
34 maps of such airways, utilizing the facilities and assistance of existing
35 agencies of the state as far as practicable. The ~~department~~ division shall
36 grant no exclusive right for the use of any civil airway, airport,

1 intermediate landing field, or other air navigation facility under its
2 jurisdiction;

3 (5) Investigate, record, and report the causes of accidents in
4 civil air navigation within this state;

5 (6) Encourage the establishment of airports, civil airways, and
6 other air navigation facilities;

7 (7) Supervise and regulate the safety, adequacy, and sufficiency
8 of all airports, landing fields, and air navigation facilities and equipment
9 used or to be used in private or commercial flying;

10 (8) Adopt, with the approval of the Secretary of the Department
11 of Commerce, rules and regulations governing instruction in flight or ground
12 school offered to student fliers or mechanics when the instruction is
13 conducted by individual flight instructors licensed under appropriate Federal
14 Aviation Administration regulations and adopt rules and regulations governing
15 the safety, adequacy, and sufficiency of airports, landing fields, and air
16 navigation facilities and equipment used or to be used in the instruction of
17 student fliers or mechanics;

18 (9) Adopt, with the approval of the Secretary of the Department
19 of Commerce, rules and regulations for the marking of highways,
20 municipalities, and all other serial markings used throughout the state;

21 (10) Adopt, with the approval of the Secretary of the Department
22 of Commerce, rules and regulations governing the erection, location, and
23 maintenance of aerial beacon lights and other aerial night lighting equipment
24 within the state;

25 (11) Exchange with the Federal Aviation Administration and other
26 state governments through existing governmental channels information
27 pertaining to civil air navigation;

28 (12) Enforce the regulations and air traffic rules, promulgated
29 as provided hereunder, through the assistance and cooperation of state and
30 local authorities charged with the enforcement of law in their respective
31 jurisdictions;

32 (13) Establish by regulation, with the approval of the Secretary
33 of the Department of Commerce, the minimum safe altitudes for flight,
34 including air traffic rules; and

35 (14) Establish, with the approval of the Secretary of the
36 Department of Commerce, posting requirements for compliance with § 12-19-102,

1 concerning the posting of information about the National Human Trafficking
2 Resource Center Hotline.

3 (b) All rules and regulations prescribed by the ~~department~~ division
4 under the authority of this section shall be consistent with and conform to
5 current federal legislation governing aeronautics and the regulations duly
6 promulgated thereunder and rules issued from time to time pursuant thereto.
7 Nothing in this section shall confer upon the ~~department~~ division the power
8 to determine schedules, issue stock, or determine public convenience or the
9 adequacy and sufficiency of service of common carriers engaged in commercial
10 flying within this state.

11
12 SECTION 538. Arkansas Code § 27-115-109 is amended to read as follows:
13 27-115-109. Location and construction of landing fields.

14 (a) The ~~Arkansas Department~~ Division of Aeronautics shall assist in
15 the location of landing fields and the promotion and development of
16 aeronautics throughout the state.

17 (b) The ~~Arkansas Department of Aeronautics~~ division may use for the
18 construction and development of these fields and for the grading and
19 construction of highways leading thereto, any equipment of the Arkansas
20 Department of Transportation which is not at that time required for other
21 construction purposes.

22
23 SECTION 539. Arkansas Code § 27-115-110 is amended to read as follows:
24 27-115-110. Disposition of funds.

25 (a) All revenues derived from the levying of the Arkansas Gross
26 Receipts Tax, as amended, § 26-52-101 et seq., upon aircraft and aviation
27 fuel, aviation services, aircraft parts and accessories, and other gross
28 receipts taxes remitted by aircraft dealers, airports, and flying fields
29 shall be reported to the ~~Director~~ Secretary of the Department of Finance and
30 Administration in a manner and on forms as he or she shall direct.

31 (b) The ~~Arkansas Department~~ Division of Aeronautics is authorized to
32 accept donations and grants of all property, whether real or personal.

33 (c) Tax proceeds and grants and donations of money shall be special
34 revenues and shall be deposited in the State Treasury to the credit of the
35 ~~Arkansas Department~~ Division of Aeronautics Fund to be used for constructing
36 and improving airports, civil airways, and other air navigation facilities

1 and for preserving the history of aviation in the state.

2 (d) ~~The Arkansas Department of Aeronautics~~ division shall administer
3 the funds so deposited and shall use the funds for the sole purpose of
4 building airports, civil airways, and other air navigation facilities in this
5 state in those cities or towns as the ~~Arkansas Department of Aeronautics~~
6 division, in coordination with the Arkansas Economic Development Council,
7 shall determine would attract the greatest volume of industry to this state.

8 (e) The funds may also be used for the purpose of:

9 (1) Matching funds with any federal funds made available for the
10 purpose of this section; or

11 (2)(A) Establishing an aviation museum to preserve the history
12 of aviation in the state.

13 (B) Assistance for the establishment of an aviation museum
14 shall not exceed a total of twenty thousand dollars (\$20,000).

15 (f)(1) All revenues derived from the levying of the compensating use
16 tax under the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.,
17 upon aircraft and aviation fuel, aviation services, and aircraft parts and
18 accessories remitted by aircraft dealers, airports, and flying fields shall
19 be reported to the Director of the ~~Arkansas Department~~ Division of
20 Aeronautics in a manner and on forms as he or she shall direct.

21 (2) ~~The first eight hundred thousand dollars (\$800,000) of the~~
22 ~~state use tax collected after June 30, 1997, and collected through June 30,~~
23 ~~1998, shall be deposited in the State Treasury as general revenues. The~~
24 ~~remainder of the revenues collected during this period shall be special~~
25 ~~revenues and shall be deposited in the State Treasury to the credit of the~~
26 ~~fund to be used for the purposes set forth in this subsection.~~

27 (3) ~~The first eight hundred thousand dollars (\$800,000) of the~~
28 ~~state use tax collected after June 30, 1998, and collected through June 30,~~
29 ~~1999, shall be deposited in the State Treasury as general revenues. The~~
30 ~~remainder of the revenues collected during this period shall be special~~
31 ~~revenues and shall be deposited in the State Treasury to the credit of the~~
32 ~~fund to be used for the purposes set forth in this subsection.~~

33 (4) ~~The first four hundred thousand dollars (\$400,000) of the~~
34 ~~state use tax collected after June 30, 1999, and collected through June 30,~~
35 ~~2000, shall be deposited in the State Treasury as general revenues. The~~
36 ~~remainder of the revenues collected during this period shall be special~~

1 ~~revenues and shall be deposited in the State Treasury to the credit of the~~
 2 ~~fund to be used for the purposes set forth in this subsection.~~

3 ~~(5) The first two hundred thousand dollars (\$200,000) of the~~
 4 ~~state use tax collected after June 30, 2000, and collected through June 30,~~
 5 ~~2001, shall be deposited in the State Treasury as general revenues. The~~
 6 ~~remainder of the revenues collected during this period shall be special~~
 7 ~~revenues and shall be deposited in the State Treasury to the credit of the~~
 8 ~~fund to be used for the purposes set forth in this subsection.~~

9 ~~(6) Beginning July 1, 2001, all All state use tax derived shall~~
 10 ~~be special revenues and shall be deposited in the State Treasury to the~~
 11 ~~credit of the fund to be used for the purposes set forth in this subsection.~~

12
 13 SECTION 540. EMERGENCY CLAUSE. It is found and determined by the
 14 General Assembly of the State of Arkansas that this act revises the duties of
 15 certain state entities; that this act establishes new departments of the
 16 state; that these revisions impact the expenses and operations of state
 17 government; and that the provisions of this act should become effective at
 18 the beginning of the fiscal year to allow for implementation of the new
 19 provisions at the beginning of the fiscal year. Therefore, an emergency is
 20 declared to exist, and this act being necessary for the preservation of the
 21 public peace, health, and safety shall become effective on July 1, 2019.