

Department of Finance and Administration

Legislative Impact Statement

Bill: SB288

Bill Subtitle: TO CREATE THE WORKFORCE DEVELOPMENT CENTER AUTHORITY ACT.

Basic Change :

Sponsor: Senator J. Hendren

The bill would create The Workforce Development Center Authority Act for the purposes of providing vocational and technical education and authorize workforce development centers. The centers would be public education facilities. The workforce development center authority would be a public corporation with four (4) or more sponsors including one or more school districts, one or more vocational-technical schools, and one or more cities or counties. Administrative responsibilities would be placed with a board of directors consisting of representatives from the sponsoring entities. The bill authorizes the authority to receive public funds, grants, gifts, proceeds from issuance of bonds, promissory notes, tuition, fees and other amounts assessed on individuals or employers receiving services from the development center. The bill would permit a city or county to dedicate local tax revenue to the benefit of the authority. A city or county, if adopted by the electorate, could levy an additional sales and use tax to benefit an authority with the rate not to exceed one-half of one percent (0.5%). The authority would be exempt from property taxes and taxes on any income.

Revenue Impact :

No impact on State General Revenues.

Taxpayer Impact :

City and County taxpayers could provide financing for a Workforce Development Center Authority by adoption of a sales and use tax.

Resources Required :

None.

Time Required :

Adequate time is provided for implementation.

Procedural Changes :

The Treasurer of the State may need to update its processes and procedures to accommodate for this new distribution of funds method.

Other Comments :

None.

Legal Analysis :

SB288 creates the Workforce Development Center Authority and delineates how it will operate. If requested and adopted, revenue from the levy by a sponsoring county or city of a sales tax or sales and use tax shall be applied for the benefit of the Workforce Development Center Authority. When a city or county calls an election on the issue of a sales and use tax, it may designate on the ballot that a portion of the tax will be dedicated to a workforce development center.