

1 State of Arkansas  
2 91st General Assembly  
3 Regular Session, 2017  
4  
5 By: Senator J. Hendren

# A Bill

SENATE BILL 288

## For An Act To Be Entitled

8 AN ACT TO CREATE THE WORKFORCE DEVELOPMENT CENTER  
9 AUTHORITY ACT; TO AUTHORIZE THE CREATION AND  
10 OPERATION OF WORKFORCE DEVELOPMENT CENTER AUTHORITIES  
11 FOR THE PURPOSE OF PROVIDING VOCATIONAL AND TECHNICAL  
12 EDUCATION; TO PRESCRIBE THE POWERS AND FINANCING OF  
13 WORKFORCE DEVELOPMENT CENTER AUTHORITIES; TO PERMIT  
14 THE ISSUANCE OF BONDS AND OTHER FORMS OF INDEBTEDNESS  
15 BY A WORKFORCE DEVELOPMENT CENTER AUTHORITY; TO  
16 PERMIT CITY AND COUNTY TAX REVENUE TO BE DEDICATED TO  
17 THE BENEFIT OF A WORKFORCE DEVELOPMENT CENTER  
18 AUTHORITY; AND FOR OTHER PURPOSES.

## Subtitle

21 TO CREATE THE WORKFORCE DEVELOPMENT  
22 CENTER AUTHORITY ACT.

23  
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25  
26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

27  
28 SECTION 1. Arkansas Code Title 6, Chapter 50, is amended to add an  
29 additional subchapter to read as follows:

30 Subchapter 8 – Workforce Development Center Authority Act

31  
32 6-50-801. Title.

33 This subchapter shall be known and may be cited as the “Workforce  
34 Development Center Authority Act”.

35  
36 6-50-802. Purpose – Construction.





1 corporation.

2 (a)(1) Four (4) or more sponsors listed under subdivision (a)(2) of  
3 this section may create a workforce development center authority.

4 (2) A workforce development center authority's four (4) or more  
5 sponsors:

6 (A) Shall include:

7 (i) One (1) or more school districts; and

8 (ii) One (1) or more vocational-technical schools;

9 and

10 (B) May include one (1) or more cities or counties.

11 (b)(1) A county or city shall not sponsor a workforce development  
12 center authority unless the governing body of the county or city provides by  
13 ordinance to sponsor the workforce development center authority.

14 (2) A school district or vocational-technical school shall not  
15 sponsor a workforce development center authority unless the governing body of  
16 the school district or vocational-technical school provides by resolution to  
17 sponsor the workforce development center authority.

18 (c)(1) The sponsors of a workforce development center authority shall  
19 enter into an agreement establishing the terms and conditions for operation  
20 of the workforce development center authority.

21 (2) To the extent consistent with this subchapter, the agreement  
22 shall specify the information provided for in the Interlocal Cooperation Act,  
23 § 25-20-104(c).

24 (3) The agreement shall be filed with the Secretary of State.

25 (d) By action of the board of directors of the workforce development  
26 center authority, a workforce development center authority established under  
27 this subchapter may add one (1) or more sponsors to the creating sponsors  
28 under subsection (a) of this section.

29 (e)(1) Each workforce development center authority and its sponsors:

30 (A) Shall constitute a public corporation;

31 (B) Shall have perpetual succession;

32 (C) May contract and be contracted with;

33 (D) May sue and be sued; and

34 (E) May have and use a common seal.

35 (2) The exercise of the powers and performance of duties  
36 provided for in this subchapter by each workforce development center

1 authority and its officers, agents, and employees are declared to be public  
2 and governmental functions, exercised for a public purpose and matters of  
3 public necessity, conferring upon each workforce development center authority  
4 governmental immunity from suit in tort.

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6 6-50-805. Board of directors.

7 (a) The management and control of each workforce development center  
8 authority and its property, operations, business, and affairs shall be lodged  
9 in a board of directors of not less than five (5) members.

10 (b)(1) The membership of the board of directors shall include:

11 (A) The superintendent of each sponsoring school district,  
12 or his or her designee; and

13 (B) The president or executive director of each sponsoring  
14 vocational-technical school, or his or her designee.

15 (2) The membership of the board of directors may include, as  
16 determined by the agreement establishing the terms and conditions for the  
17 operation of the workforce development center authority, one (1) or more of  
18 the following:

19 (A) The county judge of one (1) or more sponsoring  
20 counties, or his or her designee;

21 (B) The mayor of one (1) or more sponsoring cities, or his  
22 or her designee; and

23 (C)(i) One (1) or more individuals appointed by the board  
24 of directors of one (1) or more sponsoring school districts.

25 (ii) The agreement establishing the terms and  
26 conditions for the operation of the workforce development center authority  
27 may define the term lengths, qualifications, and process for filling  
28 vacancies for individuals appointed by a school district board of directors.

29 (c) The board of directors shall elect a chair and other officers as  
30 determined by the board of directors.

31 (d) The members of the board of directors shall receive no  
32 compensation for their services but shall be entitled to reimbursement of  
33 expenses incurred in the performance of their duties.

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35 6-50-806. Powers generally.

36 The board of directors of a workforce development center authority

1 created under this subchapter may:

2 (1) Make and adopt all necessary bylaws for its organization and  
3 operation;

4 (2) Elect officers and employ personnel necessary for its  
5 operation;

6 (3) Delegate any authority given to it by law to any of its  
7 officers, committees, agents, or employees;

8 (4)(A) Enter into contracts and agreements necessary or  
9 incidental to its powers and duties under this subchapter.

10 (B) A workforce development center authority's power to  
11 contract includes without limitation the power to contract with one (1) or  
12 more of its sponsors for the provision of services or programs to advance any  
13 purpose of this subchapter;

14 (5) Apply for, receive, and spend grants for any purpose of this  
15 subchapter;

16 (6) Acquire lands and hold title to the lands acquired in its  
17 own name;

18 (7) Acquire, own, lease, use, sell, encumber, and dispose of  
19 property in the exercise of its powers and the performance of its duties  
20 under this subchapter;

21 (8) Borrow money on a secured or unsecured basis, and in  
22 connection therewith issue bonds, promissory notes, or other evidence of  
23 indebtedness, and make and deliver indentures, mortgages, pledges, security  
24 agreements, financing statements, and other instruments encumbering assets of  
25 the workforce development center authority;

26 (9) Acquire, equip, construct, maintain, and operate one (1) or  
27 more workforce development centers and appurtenant facilities or properties;

28 (10) Promote, advertise, and publicize the workforce development  
29 center authority and its workforce development centers; and

30 (11) Do all things necessary or appropriate to carry out the  
31 powers and duties expressly granted or imposed under this subchapter.

32  
33 6-50-807. Financing generally – Exemption from taxation or assessment.

34 (a) A workforce development center authority may request, receive, and  
35 be financed or supported by any revenue, grants, or funds allowed by law,  
36 including without limitation:

1           (1) Funds provided by counties, cities, school districts, and  
 2 vocational-technical schools;

3           (2) Property or funds received by gift or donation;

4           (3) Grants;

5           (4) Proceeds from the sale or issuance of bonds, promissory  
 6 notes, or other evidence of indebtedness;

7           (5) Tuition, fees, and other charges assessed on individuals or  
 8 employers receiving services from a workforce development center authority;

9           (6) Other state funding that is appropriated;

10          (7) Other funds or loans from a state or federal agency;

11          (8) If requested and adopted, revenue from the levy by a  
 12 sponsoring county of a sales tax or sales and use tax under § 26-74-201 et  
 13 seq., § 26-74-301 et seq., and § 26-74-401 et seq. for the benefit of the  
 14 workforce development center authority;

15          (9) If requested and adopted, revenue from the levy by a  
 16 sponsoring city of a sales tax or sales and use tax under § 26-75-201 et seq.  
 17 and § 26-75-301 et seq. for the benefit of the workforce development center  
 18 authority;

19          (10)(A) If authorized by law, requested, and adopted, revenue  
 20 from the levy of an additional sales and use tax for the benefit of an  
 21 authority by a county or city not to exceed one-half of one percent (0.5%).

22                 (B) A sales and use tax levied as described in this  
 23 subdivision (a)(10) is in addition to any taxes levied under subdivisions  
 24 (a)(8) and (9) of this section;

25          (11) If requested and adopted, revenue from the levy by a  
 26 sponsoring school district of an additional ad valorem property tax under §  
 27 26-80-102 to secure the enrollment of a minimum number of the school  
 28 district's students in a workforce development center operated by the  
 29 authority; and

30          (12) If authorized by law, requested, and adopted, revenue from  
 31 the levy by a sponsoring city or county of an additional ad valorem property  
 32 tax for the benefit of the workforce development center authority.

33          (b) Taxes imposed under subdivisions (a)(8)-(12) of this section shall  
 34 be approved by voters pursuant to all applicable election laws.

35          (c)(1)(A) Counties, pursuant to an ordinance properly and lawfully  
 36 adopted by their quorum courts, may annually grant financial aid to any

1 workforce development center authority operating within their borders for the  
2 purpose of assisting the workforce development center authority in paying its  
3 lawful expenses of operation.

4 (B) The ordinance shall be effective for a period of  
5 twelve (12) months.

6 (2)(A) Incorporated towns and cities of the first or second  
7 class, pursuant to an ordinance properly and lawfully adopted by their  
8 governing bodies, may annually grant financial aid to any workforce  
9 development center authority operating within their borders for the purpose  
10 of assisting the workforce development center authority in paying its lawful  
11 expenses of operation.

12 (B) The ordinance shall be effective for a period of  
13 twelve (12) months.

14 (3)(A) School districts, pursuant to a resolution properly and  
15 lawfully adopted by their governing bodies, may appropriate funds to any  
16 workforce development center authority operating within their borders for the  
17 purpose of securing the enrollment of a minimum number of the school  
18 district's students in a workforce development center operated by the  
19 authority.

20 (B) Funds appropriated by a school district to a  
21 workforce development center authority under this subdivision (c)(3), and any  
22 ad valorem property tax revenue pledged by a school district under  
23 subdivision (a)(11) of this section, are maintenance and operation expenses  
24 under § 26-80-102 and Arkansas Constitution, Article 14, § 3.

25 (d) A county, city, or vocational-technical school located within the  
26 area of operation of a workforce development center authority may:

27 (1) Contribute funds for the benefit of the workforce  
28 development center authority, including without limitation funds for the cost  
29 of acquiring, constructing, equipping, maintaining, and operating workforce  
30 development centers operated by the workforce development center authority;

31 (2) Pledge tax revenue for the benefit of the workforce  
32 development center authority as allowed by law; and

33 (3) Transfer and convey property to the workforce development  
34 center authority for any purpose of this subchapter.

35 (e)(1) A workforce development center authority is exempt from ad  
36 valorem property taxation or assessments on property acquired or used by the

1 workforce development center authority for any purpose of this subchapter.

2 (2) Income from the operation of the authority shall be exempt  
3 from state income tax.

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5 6-50-808. Bonds – Sale.

6 (a) A workforce development center authority may issue bonds for:

7 (1) The cost of acquiring, constructing, equipping, maintaining,  
8 and operating one (1) or more workforce development centers operated by the  
9 workforce development center authority within its area of operation;

10 (2) The cost of issuing the bonds;

11 (3) Any outstanding indebtedness of the workforce development  
12 center authority, including without limitation interest on the bonds; and

13 (4) Refunding any obligations issued under this subchapter.

14 (b) Bonds issued under this subchapter:

15 (1) Including any income from the bonds, or any profit made on  
16 the sale or transfer of the bonds, are exempt from taxation in this state;

17 (2) Shall be authorized by the board of directors of a workforce  
18 development center authority through a resolution containing any terms,  
19 covenants, and conditions that the board of directors deems to be reasonable  
20 and desirable;

21 (3) Shall have all of the qualities of and shall be deemed to be  
22 negotiable instruments under the laws of the State of Arkansas; and

23 (4) May be sold in such a manner, either at public or private  
24 sale, and upon such terms as the board of directors of a workforce  
25 development center authority shall determine to be reasonable and expedient  
26 for effectuating the purposes of this subchapter.

27 (c) Bonds, promissory notes, or other evidence of indebtedness issued  
28 under this subchapter:

29 (1) Are not backed by the full faith and credit of the State of  
30 Arkansas or the sponsors of the workforce development center authority; and

31 (2) Shall not in any event constitute an indebtedness of, nor  
32 pledge the faith and credit of, the State of Arkansas or a sponsor of the  
33 workforce development center authority within the meaning of any  
34 constitutional provisions or limitations.

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36 6-50-809. Accounts – Report – Audit.

1           (a)(1) The board of directors of a workforce development center  
 2 authority:

3                   (A) Shall deposit the funds received by the workforce  
 4 development center authority into bank accounts as determined by the board of  
 5 directors; and

6                   (B) May withdraw funds from the bank accounts as  
 7 determined by the board of directors.

8           (2)(A) Each workforce development center authority shall:

9                           (i) Keep strict account of all of its receipts and  
 10 expenditures; and

11                           (ii) Make a report each quarter to the governing  
 12 bodies of each sponsor.

13                   (B) The report shall contain an itemized account of the  
 14 workforce development center authority's receipts and disbursements during  
 15 the preceding quarter.

16                   (C) The report shall be made within sixty (60) days after  
 17 the end of the quarter.

18           (b)(1)(A)(i) Within sixty (60) days after the end of each fiscal year,  
 19 each workforce development center authority shall cause an annual audit to be  
 20 made by an independent certified public accountant.

21                           (ii) Each workforce development center authority  
 22 shall file a copy of the resulting audit report with the governing bodies of  
 23 each sponsor.

24                   (B) The audit shall contain an itemized statement of the  
 25 workforce development center authority's receipts and disbursements for the  
 26 preceding year.

27           (2) The books, records, and accounts of each workforce  
 28 development center authority shall be subject to audit and examination by any  
 29 proper public official or body in the manner provided by law.

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 31           6-50-810. Dissolution.

32           (a) If a workforce development center authority does not have any  
 33 outstanding indebtedness, the board of directors of a workforce development  
 34 center authority may adopt a resolution, which shall be entered in its  
 35 minutes, declaring that the workforce development center authority shall be  
 36 dissolved.

1       (b) The resolution dissolving the workforce development center  
2 authority shall provide for allocation of the workforce development center  
3 authority's remaining assets among the sponsors as of the date of  
4 dissolution.

5       (c) Upon the filing for record of a certified copy of the resolution  
6 with the Secretary of State, the workforce development center authority is  
7 dissolved.

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9       SECTION 2. Arkansas Code § 26-73-114, concerning dedication of sales  
10 and use tax to schools, is amended to add a new section to read as follows:

11       (d)(1) When a city or county calls an election on the issue of a sales  
12 and use tax, it may designate on the ballot that a portion of the tax will be  
13 dedicated to a workforce development center authority under § 6-50-807.

14       (2) The Treasurer of State shall transmit to the treasurer or  
15 fiscal officer of each such workforce development center authority that  
16 workforce development center authority's share of the local sales and use  
17 taxes collected under this section at the same time as the city and county  
18 taxes are transmitted.

19       (3) Funds so transmitted may be used by the workforce  
20 development center authority for any purpose under § 6-50-801 et seq.

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