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A Bill

3 Regular Session, 2017

SENATE BILL 288

4

5 By: Senators J. Hendren, *J. English*

6 *By: Representative D. Douglas*

7

8

For An Act To Be Entitled

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

20

21

22

Subtitle

23 TO CREATE THE WORKFORCE DEVELOPMENT
 24 CENTER AUTHORITY ACT.

25

26

27 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

28

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

31 Subchapter 8 – Workforce Development Center Authority Act

32

33 6-50-801. Title.

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

36



1 6-50-802. Purpose – Construction.

2 (a) It is the purpose of this subchapter to:

3 (1) Enhance the availability, accessibility, responsiveness, and
4 quality of vocational and technical education in this state;

5 (2) Assist cities and counties in upgrading the knowledge and
6 skills of their existing workforce or potential new workforce;

7 (3) Encourage and facilitate cooperation between cities,
8 counties, school districts, and vocational-technical schools; and

9 (4) Develop new funding sources for vocational and technical
10 education.

11 (b) This subchapter shall be liberally construed to accomplish its
12 intent and purposes and shall be the sole authority required for the
13 accomplishment of its purpose.

14
15 6-50-803. Definitions.

16 As used in this subchapter:

17 (1) “Area of operation” means, for a workforce development
18 center authority, the area within the combined geographical boundaries of
19 every school district, city, and county that is a sponsor of a workforce
20 development center authority;

21 (2) “Sponsor” means a school district, city, county, or
22 vocational-technical school that is a sponsor of a workforce development
23 center authority;

24 (3) “Vocational-technical school” means:

25 (A) A publicly supported vocational-technical school under
26 § 6-51-202;

27 (B) A publicly supported technical institute under § 6-51-
28 217; or

29 (C) A two-year or four-year state-supported institution of
30 higher education that operates or has been approved to operate a secondary
31 vocational center as of January 1, 2017;

32 (4) “Workforce development center” means a public education
33 facility established by a workforce development center authority for any
34 purpose of this subchapter; and

35 (5) “Workforce development center authority” means a public
36 educational institution created under this subchapter to operate one (1) or

1 more workforce development centers and to further the purposes of this
2 subchapter.

3
4 6-50-804. Workforce development center authority – Creation – Public
5 corporation.

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

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

10 (A) Shall include:

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

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

13 and

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

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

18 (2) A school district or vocational-technical school shall not
19 sponsor a workforce development center authority unless the governing body of
20 the school district or vocational-technical school provides by resolution to
21 sponsor the workforce development center authority.

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

25 (2) To the extent consistent with this subchapter, the agreement
26 shall specify the information provided for in the Interlocal Cooperation Act,
27 § 25-20-104(c).

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

29 (d) By action of the board of directors of the workforce development
30 center authority, a workforce development center authority established under
31 this subchapter may add one (1) or more sponsors to the creating sponsors
32 under subsection (a) of this section.

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

34 (A) Shall constitute a public corporation;

35 (B) Shall have perpetual succession;

36 (C) May contract and be contracted with;

1 (D) May sue and be sued; and

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

3 (2) The exercise of the powers and performance of duties
4 provided for in this subchapter by each workforce development center
5 authority and its officers, agents, and employees are declared to be public
6 and governmental functions, exercised for a public purpose and matters of
7 public necessity, conferring upon each workforce development center authority
8 governmental immunity from suit in tort.

9
10 6-50-805. Board of directors.

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

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

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

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

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

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

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

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

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

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

35 (d) The members of the board of directors shall receive no
36 compensation for their services but shall be entitled to reimbursement of

1 expenses incurred in the performance of their duties.

2
3 6-50-806. Powers generally.

4 The board of directors of a workforce development center authority
5 created under this subchapter may:

6 (1) Make and adopt all necessary bylaws for its organization and
7 operation;

8 (2) Elect officers and employ personnel necessary for its
9 operation;

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

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

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

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

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

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

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

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

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

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

36

1 6-50-807. Financing generally – Exemption from taxation or assessment.

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

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

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

8 (3) Grants;

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

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

13 (6) Other state funding that is appropriated;

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

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

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

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

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

29 (11) If requested and adopted, revenue from the levy by a
30 sponsoring school district of an additional ad valorem property tax under §
31 26-80-102 to secure the enrollment of a minimum number of the school
32 district's students in a workforce development center operated by the
33 authority; and

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

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

3 (c)(1)(A) Counties, pursuant to an ordinance properly and lawfully
4 adopted by their quorum courts, may annually grant financial aid to any
5 workforce development center authority operating within their borders for the
6 purpose of assisting the workforce development center authority in paying its
7 lawful expenses of operation.

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

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

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

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

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

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

31 (1) Contribute funds for the benefit of the workforce
32 development center authority, including without limitation funds for the cost
33 of acquiring, constructing, equipping, maintaining, and operating workforce
34 development centers operated by the workforce development center authority;

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

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

3 (e)(1) A workforce development center authority is exempt from ad
4 valorem property taxation or assessments on property acquired or used by the
5 workforce development center authority for any purpose of this subchapter.

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

8
9 6-50-808. Bonds – Sale.

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

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

14 (2) The cost of issuing the bonds;

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

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

18 (b) Bonds issued under this subchapter:

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

21 (2) Shall be authorized by the board of directors of a workforce
22 development center authority through a resolution containing any terms,
23 covenants, and conditions that the board of directors deems to be reasonable
24 and desirable;

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

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

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

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

35 (2) Shall not in any event constitute an indebtedness of, nor
36 pledge the faith and credit of, the State of Arkansas or a sponsor of the

1 workforce development center authority within the meaning of any
2 constitutional provisions or limitations.

3
4 6-50-809. Accounts – Report – Audit.

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

7 (A) Shall deposit the funds received by the workforce
8 development center authority into bank accounts as determined by the board of
9 directors; and

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

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

13 (i) Keep strict account of all of its receipts and
14 expenditures; and

15 (ii) Make a report each quarter to the governing
16 bodies of each sponsor.

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

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

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

25 (ii) Each workforce development center authority
26 shall file a copy of the resulting audit report with the governing bodies of
27 each sponsor.

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

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

34
35 6-50-810. Dissolution.

36 (a) If a workforce development center authority does not have any

1 outstanding indebtedness, the board of directors of a workforce development
2 center authority may adopt a resolution, which shall be entered in its
3 minutes, declaring that the workforce development center authority shall be
4 dissolved.

5 (b) The resolution dissolving the workforce development center
6 authority shall provide for allocation of the workforce development center
7 authority's remaining assets among the sponsors as of the date of
8 dissolution.

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

12
13 SECTION 2. Arkansas Code § 26-73-114, concerning dedication of sales
14 and use tax to schools, is amended to add a new section to read as follows:

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

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

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

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26 */s/J. Hendren*
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