

Stricken language would be deleted from and underlined language would be added to present law.

State of Arkansas
92nd General Assembly
Regular Session, 2019

A Bill

HOUSE BILL 1371

By: Representative A. Davis

By: Senator Hester

For An Act To Be Entitled

AN ACT TO CREATE THE TRANSFORMATION AND EFFICIENCIES ACT OF 2019; TO ESTABLISH CABINET-LEVEL DEPARTMENTS; TO ESTABLISH THE CABINET-LEVEL DEPARTMENT OF COMMERCE; TO TRANSFER STATE ENTITIES; TO DECLARE AN EMERGENCY; AND FOR OTHER PURPOSES.

Subtitle

TO CREATE THE TRANSFORMATION AND EFFICIENCIES ACT OF 2019; TO ESTABLISH CABINET-LEVEL DEPARTMENTS; TO ESTABLISH THE CABINET-LEVEL DEPARTMENT OF COMMERCE; TO TRANSFER STATE ENTITIES; AND TO DECLARE AN EMERGENCY.

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

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

Subchapter 3 – Department of Commerce

25-43-301. Department of Commerce.

There is created a Department of Commerce as a cabinet-level department.

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

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



transferred to the Department of Commerce:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(c) The secretary may:

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

(2) Hire department personnel;

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

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

25-43-304. Compliance with federal law.

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

State Securities Department and the Insurance Department.

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

(1) Conduct examinations of financial institutions;

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

(3) Handle confidential financial institution information.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SECTION 26. Arkansas Code § 6-52-102 is amended to read as follows:

6-52-102. Transfer of authority, property, etc.

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

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

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

6-52-203. Rules.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

the student to meet this requirement; or

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

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

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

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

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

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

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

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

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

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

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

This chapter shall be known and may be cited as the “~~Department~~ Division of Workforce Services Law”.

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

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

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

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

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

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

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

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

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

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

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

compensation.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Workforce Services to administer this chapter.

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

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

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

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

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

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

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

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

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

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

follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

requested information.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(ii) To accept suitable work when offered.

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

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

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

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

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

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

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

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

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

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

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

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

claim fraud and its efforts to prevent the fraud.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11-10-541. Extended benefits – Overpayments.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

the stabilization tax, is amended to read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (A) A clearing account;
- (B) An Unemployment Compensation Trust Fund Account; and
- (C) A benefit account.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (A) Are specifically declared to be cash funds restricted in their use;
- (B) Shall not be deposited into the State Treasury for the purposes of:
 - (i) Arkansas Constitution, Article 5, § 29;
 - (ii) Arkansas Constitution, Article 16, § 12;
 - (iii) Arkansas Constitution, Amendment 20; or
 - (iv) Any other constitutional provision or statutory law; and

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

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

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

11-15-104. Registry – Participating employers.

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

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

11-15-105. Verification of eligibility.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Science and Technology of the Arkansas Economic Development Commission.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

copies thereof with the Legislative Joint Auditing Committee.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(B) The commission's own projections; and

(C) Economic development in neighboring states.

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

15-4-305. Administrator.

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

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

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

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

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

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

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

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

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

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

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

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

~~Arkansas Economic Development Commission;~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

time is due to:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(7) Technology-based enterprises, as defined by § 14-164-203(12), may earn, at the discretion of the ~~Executive~~ Director of the Arkansas Economic Development Commission, an income tax credit or sales and use tax credit based on new investment, provided that the technology-based enterprise:

(A) Creates a new payroll of at least two hundred fifty thousand dollars (\$250,000); and

(B) Pays wages that are at least one hundred seventy-five

percent (175%) of the state or county average hourly wage, whichever is less.

SECTION 279. Arkansas Code § 15-4-2706(c)(4)(A)-(D), concerning investment tax incentives, are amended to read as follows:

(4)(A) Upon determination by the ~~Executive~~ Director of the Arkansas Economic Development Commission that the project qualifies for credit under this subsection, the ~~Executive~~ Director of the Arkansas Economic Development Commission shall certify to the ~~Director~~ Secretary of the Department of Finance and Administration that the project qualifies and shall transmit with his or her certification the documents or copies of the documents upon which the certification was based.

(B) The ~~Director~~ Secretary of the Department of Finance and Administration shall provide forms to the qualified business on which to claim the credit.

(C) At the end of the calendar year in which the application is made and at the end of each calendar year thereafter until the project is completed, the qualified business shall certify on the form provided by the ~~Director~~ Secretary of the Department of Finance and Administration the amount of expenditures on the project during the preceding calendar year.

(D) Upon receipt of the form certifying expenditures, the ~~Director~~ Secretary of the Department of Finance and Administration shall determine the amount due as a credit for the preceding calendar year and issue a memorandum of credit to the qualified business.

SECTION 280. Arkansas Code § 15-4-2706(d)(2)(A)(i), concerning investment tax incentives, is amended to read as follows:

(2)(A)(i) A sales and use tax refund of state and local sales and use taxes, excepting the sales and use taxes dedicated to the Educational Adequacy Fund created in § 19-5-1227 and the Conservation Tax Fund as authorized by § 19-6-484, on the purchases of the material used in the construction of a building or buildings or any addition, modernization, or improvement thereon for housing any new or expanding qualified business and machinery and equipment to be located in or in connection with such a building shall be authorized by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 281. Arkansas Code § 15-4-2706(e)(3), concerning investment tax incentives, is amended to read as follows:

(3) After the ~~Executive~~ Director of the Arkansas Economic Development Commission has determined that the project is eligible for the sales and use tax refund, this determination accompanied by the financial incentive agreement and any other pertinent documentation shall be forwarded to the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 282. Arkansas Code § 15-4-2706(e)(4)(A)(i), concerning investment tax incentives, is amended to read as follows:

(4)(A)(i) A sales and use tax refund of state and local sales and use taxes, excepting the sales and use taxes dedicated to the Educational Adequacy Fund as authorized by § 26-57-1002(d)(1)(A)(ii)(b) and the Conservation Tax Fund as authorized by § 19-6-484, on the purchases of the material used in the construction of a building or buildings or any addition, modernization, or improvement thereon for housing any new or expanding qualified business and machinery and equipment to be located in or in connection with such a building shall be authorized by the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 283. Arkansas Code § 15-4-2707(d)(1), concerning the Economic Development Incentive Fund payroll rebate, is amended to read as follows:

(d)(1) The award of this incentive is at the discretion of the ~~Executive~~ Director of the Arkansas Economic Development Commission and may be offered for a period of up to ten (10) years.

SECTION 284. Arkansas Code § 15-4-2707(d)(3)(E), concerning the Economic Development Incentive Fund payroll rebate, is amended to read as follows:

(E) The ~~executive~~ director may authorize benefits to a prospective eligible business up to five percent (5%) of the payroll of new full-time permanent employees if the following conditions exist:

(i) The prospective eligible business is considering a location in another state;

(ii) The prospective eligible business receives at

least seventy-five percent (75%) of its sales revenues from out of state; and

(iii) The prospective eligible business is proposing to pay wages in excess of one hundred percent (100%) of the county average hourly wage of the county in which it locates.

SECTION 285. Arkansas Code § 15-4-2707(e)(1), concerning the Economic Development Incentive Fund payroll rebate, is amended to read as follows:

(e)(1) Technology-based enterprises, as defined in § 14-164-203(12), may earn, at the discretion of the ~~executive~~ director, a payroll rebate equal to five percent (5%) of the payroll for new full-time permanent employees for a period not to exceed ten (10) years.

SECTION 286. Arkansas Code § 15-4-2708(d)(1)(B), concerning the granting of tax credits for research and development, is amended to read as follows:

(B) Projects under the research and development programs of the Division of Science and Technology of the Arkansas Economic Development Commission when the projects directly involve an Arkansas business and are approved by the ~~Executive~~ Director of the Arkansas Economic Development Commission with the advice of the Board of Directors of the Division of Science and Technology of the Arkansas Economic Development Commission under rules promulgated by the division for those programs.

SECTION 287. Arkansas Code § 15-4-2708(e), concerning the granting of tax credits for research and development, is amended to read as follows:

(e) To claim the credit granted under subsections (b)-(d) of this section, the taxpayer shall file with his or her return, as an attachment to the form prescribed by the ~~Director~~ Secretary of the Department of Finance and Administration, copies of documentation to show that the ~~Executive~~ Director of the Arkansas Economic Development Commission has approved the research expenditure as a part of a qualified in-house research program or under the research and development programs of the division.

SECTION 288. Arkansas Code § 15-4-2709(c)(2)(A), concerning special incentives based on payroll of targeted businesses, is amended to read as follows:

(2)(A) The term of the financial incentive agreement shall be established by the ~~Executive~~ Director of the Arkansas Economic Development Commission for a period not to exceed five (5) years.

SECTION 289. Arkansas Code § 15-4-2709(c)(2)(C), concerning special incentives based on payroll of targeted businesses, is amended to read as follows:

(C) The ~~executive~~ director may allow a qualified targeted business to sell any income tax credits earned through one (1) or more incentives authorized by this subchapter.

SECTION 290. Arkansas Code § 15-4-2711(g)(2)(A), concerning the administration of a sales and use tax refund, is amended to read as follows:

(2)(A) If the ~~Executive~~ Director of the Arkansas Economic Development Commission and the ~~Director~~ Secretary of the Department of Finance and Administration find that the approved business has presented compelling reasons for an extension of time, the ~~Executive~~ Director of the Arkansas Economic Development Commission may grant an extension of time not to exceed forty-eight (48) months.

SECTION 291. Arkansas Code § 15-4-2711(i)(2), concerning the administration of a sales and use tax refund, is amended to read as follows:

(2) The ~~Executive~~ Director of the Arkansas Economic Development Commission and the ~~Director~~ Secretary of the Department of Finance and Administration may approve the request for extension of time, not to exceed twenty-four (24) months, for the business to bring the payroll back up to the requisite threshold amount and may approve the continuation of benefits during the period the extension is granted.

SECTION 292. Arkansas Code § 15-4-2711(1)(2)(B), concerning the administration of a sales and use tax refund, is amended to read as follows:

(B) If the ~~Executive~~ Director of the Arkansas Economic Development Commission finds that the business has presented compelling reasons for an extension of time, the ~~Executive~~ Director of the Arkansas Economic Development Commission may grant an extension of time not to exceed twenty-four (24) months.

SECTION 293. Arkansas Code § 15-4-3005(e)(2)(D), concerning the State of Arkansas general obligation economic development superprojects bonds, is amended to read as follows:

(D) A certification by the ~~Executive~~ Director of the Arkansas Economic Development Commission that each project to benefit from the expenditure of the proceeds of the bonds consists of an investment in the state of not less than four hundred million dollars (\$400,000,000) and the creation of no fewer than four hundred (400) new permanent full-time jobs; and

SECTION 294. Arkansas Code § 15-4-3202(25), concerning the definition of "state hourly wage" under the Arkansas Amendment 82 Implementation Act, is amended to read as follows:

(25) "State average hourly wage" means the weighted average weekly earnings for Arkansas residents in all industries statewide as calculated by the ~~Department~~ Division of Workforce Services in its most recent Annual Covered Employment and Earnings publication, divided by forty (40).

SECTION 295. Arkansas Code § 15-4-3203(h)(2)(G), concerning Amendment 82 project qualifications, is amended to read as follows:

(G) A statement by the ~~Executive~~ Director of the Arkansas Economic Development Commission based on and outlining the:

- (i) Terms of the letter of the commitment;
- (ii) Estimated dollar amount of investment in the state from the proposed project; and
- (iii) Estimated number of new jobs to be created by the proposed project;

SECTION 296. Arkansas Code § 15-4-3204 is amended to read as follows:
15-4-3204. Amendment 82 agreement.

As soon as practicable after the General Assembly's approval of the issuance of bonds and before the Arkansas Development Finance Authority issues bonds, the Governor, the Speaker of the House of Representatives, the President Pro Tempore of the Senate, the ~~Executive~~ Director of the Arkansas

Economic Development Commission, the President of the Arkansas Development Finance Authority, and the Chief Fiscal Officer of the State, all on behalf of the state, and the sponsor of the qualified Amendment 82 project shall execute the Amendment 82 agreement in substantially the same form as approved by the General Assembly.

SECTION 297. Arkansas Code § 15-4-3206(b)(2), concerning the compliance time period and audit requirements of Amendment 82, is amended to read as follows:

(2)(A) Upon receipt of a request to extend the applicable time period, the ~~executive director~~ Director of the Arkansas Economic Development Commission shall immediately notify the ~~President of the Arkansas Development Finance Authority~~ Secretary of the Department of Commerce, the Chief Fiscal Officer of the State, and the Governor.

(B) The ~~executive director, the president~~ Secretary of the Department of Commerce, and the Chief Fiscal Officer of the State may approve a request for a one-year extension upon a determination that there is a valid economic reason for granting the extension.

SECTION 298. Arkansas Code § 15-4-3303(b)(1), concerning eligibility for equity investment incentives, is amended to read as follows:

(b)(1) The award of the equity investment incentive tax credit to a qualified business under subsection (a) of this section shall be determined jointly at the discretion of the ~~Executive~~ Director of the Arkansas Economic Development Commission with the advice of the Board of Directors of the Division of Science and Technology of the Arkansas Economic Development Commission and the President of the Arkansas Development Finance Authority.

SECTION 299. Arkansas Code § 15-4-3304(b)(4), concerning an application for an equity investment incentive tax credit, is amended to read as follows:

(4) Other information requested jointly by the ~~Executive~~ Director of the Arkansas Economic Development Commission and the President of the Arkansas Development Finance Authority.

SECTION 300. Arkansas Code § 15-4-3501(c) and (d), concerning an

increased tax refund for major maintenance and improvement projects, are amended to read as follows:

(c) The increased refund of sales and use taxes for major maintenance and improvement projects provided in this section is a discretionary incentive and is not available unless offered by the ~~Executive~~ Director of the Arkansas Economic Development Commission.

(d) The ~~Executive~~ Director of the Arkansas Economic Development Commission shall forward the taxpayer's application, financial incentive agreement, any other pertinent documentation, and a written copy of the determination under this subsection to the ~~Director~~ Secretary of the Department of Finance and Administration if the ~~Executive~~ Director of the Arkansas Economic Development Commission:

(1) Determines that the taxpayer is eligible for the increased refund for major maintenance and improvement projects provided for in this section;

(2) Determines that the taxpayer has provided reasonable proof that there will be a positive return on the taxpayer's investment in the major maintenance and improvement project that is sufficient to offset the taxes refunded under this section;

(3) Determines that the taxpayer has provided a defined scope, beginning date, and ending date for the major maintenance and improvement project;

(4) Determines that the refund is reasonably necessary for the taxpayer to remain competitive and preserve Arkansas jobs; and

(5) Agrees to provide the incentive under this section.

SECTION 301. Arkansas Code § 15-4-3501(h), concerning an increased tax refund for major maintenance and improvement projects, is amended to read as follows:

(h) The ~~Executive~~ Director of the Arkansas Economic Development Commission and the ~~Director~~ Secretary of the Department of Finance and Administration may promulgate rules necessary to implement this section.

SECTION 302. Arkansas Code § 15-4-3704(b)(3)-(5), concerning the creation of the Arkansas Workforce Development Board, are amended to read as follows:

(3) The Director of the ~~Department of Career Education~~ Adult Education Section of the Division of Workforce Services;

(4) The Director of the ~~Department~~ Division of Workforce Services;

(5) The Director of Arkansas Rehabilitation Services of the ~~Department of Career Education~~ Division of Workforce Services;

SECTION 303. Arkansas Code § 15-4-3704(b)(7), concerning the creation of the Arkansas Workforce Development Board, is amended to read as follows:

(7) The ~~Executive~~ Director of the Arkansas Economic Development Commission;

SECTION 304. Arkansas Code § 15-4-3704(k)(2), concerning the creation of the Arkansas Workforce Development Board, are amended to read as follows:

(2) Staff support shall be provided by the ~~Department~~ Division of Workforce Services of the Department of Commerce.

SECTION 305. Arkansas Code § 15-4-3705(b)(2)(D), concerning the committees of the Arkansas Workforce Development Board, is amended to read as follows:

(D) The Director of the ~~Department~~ Division of Workforce Services; and

SECTION 306. The introductory language of Arkansas Code § 15-4-3706, concerning the powers and duties of the Arkansas Workforce Development Board, is amended to read as follows:

The Arkansas Workforce Development Board shall assist the Governor and the Secretary of the Department of Commerce in:

SECTION 307. Arkansas Code § 15-4-3707(b), concerning the requirements for the unified state workforce development plan, is amended to read as follows:

(b) The state plan shall be a unified plan addressing services available through all core programs and developed jointly by the ~~Department~~ Division of Workforce Services, Adult Education Section of the Division of Workforce Services, Arkansas Rehabilitation Services, and the Division of

State Services for the Blind of the ~~Department of Human Services~~ Division of Workforce Services, in coordination with the Arkansas Workforce Development Board.

SECTION 308. Arkansas Code § 15-4-3707(c)(2)(E), concerning the requirements for the unified state workforce development plan, is amended to read as follows:

(E) How the Adult Education Section of the Division of Workforce Services will, if applicable, align content standards for adult education with state-adopted challenging academic content standards, as adopted under § 1111(b)(1) of the Elementary and Secondary Education Act of 1965, 20 U.S.C. § 6311(b)(1);

SECTION 309. Arkansas Code § 15-5-202(a)(1), concerning the board of directors and members of the Arkansas Development Finance Authority, is amended to read as follows:

(a)(1) The Board of Directors of the Arkansas Development Finance Authority shall consist of the ~~Director~~ Secretary of the Department of Finance and Administration or his or her designee, who shall serve during the ~~director's~~ Secretary of the Department of Finance and Administration's absence, ~~and~~ eleven (11) public members to be appointed by the Governor with the advice and consent of the Senate, and the Secretary of the Department of Commerce, who shall serve as a non-voting member.

SECTION 310. Arkansas Code § 15-5-203(b) and (c), concerning the board officers and employees of the Arkansas Development Finance Authority, are amended to read as follows:

(b) The board shall also employ, with the approval of the Secretary of the Department of Commerce, a president who shall serve at the will of the ~~Governor~~ secretary.

(c) The board shall coordinate with the secretary to appoint and employ such additional officers, accountants, financial advisors or experts, bond counsel, or other attorneys, agents, and employees as it may require and shall determine their qualifications, duties, and compensation. Periodically, the Arkansas Development Finance Authority will review selection of bond counsel or other attorneys to ensure that legal representatives are selected

in a manner that will provide the authority with competent, economical legal representation that furthers the best interest of the authority.

SECTION 311. Arkansas Code § 15-5-207(b)(7), concerning the rights, powers, privileges, and duties of the Arkansas Development Finance Authority, is repealed.

~~(7) To appoint officers, agents, and employees, prescribe their duties and qualifications, and fix their compensation;~~

SECTION 312. Arkansas Code § 15-5-210(a), concerning the annual report by the Arkansas Development Finance Authority, is amended to read as follows:

(a) On or before January 31 of each year, the Arkansas Development Finance Authority shall make an annual report of its activities for the preceding fiscal year to the ~~Governor~~ Secretary of the Department of Commerce and to the General Assembly.

SECTION 313. Arkansas Code § 15-5-212(a), concerning approval by the Legislative Council for certain hires or selections by the Arkansas Development Finance Authority, is amended to read as follows:

(a) The Arkansas Development Finance Authority or the Secretary of the Department of Commerce on behalf of the Arkansas Development Finance Authority shall not employ or select any investment banker, consultant, professional financial advisor, or attorney unless the selection criteria to be used in the selection have been submitted to the Legislative Council for review.

SECTION 314. Arkansas Code § 15-5-213(b), concerning the Correction Facilities Construction Fund, is amended to read as follows:

(b) The fund shall receive moneys payable from the Treasurer of State in accordance with § 15-5-422. All moneys deposited into the fund and all income, interest, and earnings therefrom are declared to be cash funds restricted in their use and dedicated and are to be used solely for acquisition and construction of regional correction facilities for use by the ~~Department~~ Division of Correction, specifically including a regional correction facility in Chicot County, which facility will be leased to and utilized by the ~~department~~ division.

SECTION 315. Arkansas Code § 15-5-213(e)(1)(A), concerning the Correction Facilities Privatization Account, is amended to read as follows:

(A) Moneys payable from funds in the ~~department~~ division as established in § 12-27-128;

SECTION 316. Arkansas Code § 15-5-213(e)(1)(C), concerning the Correction Facilities Privatization Account, is amended to read as follows:

(C) Such cash funds of the ~~department~~ division as are deemed necessary by the Chief Fiscal Officer of the State for the purposes established herein.

SECTION 317. Arkansas Code § 15-5-213(e)(2), concerning the Correction Facilities Privatization Account, is amended to read as follows:

(2) All moneys deposited into the Correction Facilities Privatization Account and all income, interest, and earnings therefrom are declared to be cash funds restricted in their use and dedicated to be used solely for acquisition, construction, and rehabilitation of correction facilities for the use and benefit of the ~~department~~ division or for payments to private contractors for the use of correction facilities by the ~~department~~ division.

SECTION 318. Arkansas Code § 15-5-214(b), concerning a criminal background check by the Arkansas Development Finance Authority, is amended to read as follows:

(b) The criminal background check shall be performed through the Identification Bureau of the ~~Department~~ Division of Arkansas State Police and the Federal Bureau of Investigation.

SECTION 319. Arkansas Code § 15-5-1603(8), concerning the definition of "Venture Capital Investment Trust" under the Arkansas Risk Capital Matching Fund Act of 2007, is amended to read as follows:

(8) "Venture Capital Investment Trust" means the public trust formed July 21, 2003, under § 28-72-201 et seq., the trustees of which are the President of the Arkansas Development Finance Authority, the ~~Executive~~ Director of the Arkansas Economic Development Commission, and the ~~Director~~

Secretary of the Department of Finance and Administration, or his or her designee, and that has as a principal purpose increasing the availability of equity capital and near-equity capital for emerging and expanding enterprises in the State of Arkansas.

SECTION 320. Arkansas Code § 15-5-1707(b)(4), concerning the roles and responsibilities of the Arkansas Housing Trust Fund Advisory Committee, is amended to read as follows:

(4) Prepare, working with the staff of the authority or the Department of Commerce, an annual review of the rules, compliance responsibilities, set-asides, funding priorities, and funding decisions, including any recommended changes, which review shall be presented to the board for final approval; and

SECTION 321. Arkansas Code § 15-6-104(e), concerning the creation of the Arkansas Rural Development Commission, is amended to read as follows:

(e) The Arkansas Rural Development Commission shall advise and assist the ~~Executive~~ Director of the Arkansas Economic Development Commission in the performance of his or her duties under this subchapter.

SECTION 322. Arkansas Code § 15-6-105 is amended to read as follows:

15-6-105. Rural Services Division of the Arkansas Economic Development Commission.

(a) There is created the Rural Services Division of the Arkansas Economic Development Commission.

(b) The head of the division shall be the ~~Executive~~ Director of the Arkansas Economic Development Commission.

~~(c) The division shall employ necessary staff to carry out the duties and functions of the division as otherwise provided in this chapter or as otherwise provided by law.~~

~~(d)~~ The Governor shall direct that all state agencies provide the ~~executive~~ director with assistance in advancing the purpose of the division to assure that the activities of the division are fully coordinated with the activities of state agencies providing related services.

SECTION 323. Arkansas Code § 15-6-106(a) and (b), concerning the

functions, powers, and duties of the Executive Director of the Arkansas Economic Development Commission, are amended to read as follows:

(a) The ~~Executive~~ Director of the Arkansas Economic Development Commission by and through the Rural Services Division of the Arkansas Economic Development Commission shall have the following functions, powers, and duties:

(1) To serve as a clearinghouse and provide comprehensive information relating to rural development and revitalization upon request to any agency, individual, or corporation;

(2) To advise and assist agencies, individuals, and corporations in answering particular rural revitalization and development needs, including cooperative efforts among such agencies, individuals, and corporations to solve common problems or provide services in these areas;

(3)(A) To receive notification from all state and federal agencies, individuals, or corporations engaged in rural development and revitalization of program descriptions, appropriation data, and application procedures.

(B) The division shall maintain a listing of existing programs and advise local agencies, individuals, or corporations of their existence;

(4) To assist, upon request, applicant local agencies, individuals, or corporations located in rural areas in obtaining timely and efficient responses from state and federal agencies, to assist such applicants in consideration of alternative program grant strategies, to assist state and federal agencies in cooperative approaches to address the needs of such applicants, and to provide technical assistance to agencies in formulating and implementing rural development and revitalization programs;

(5) To assist the ~~Governor~~ Secretary of the Department of Commerce and the General Assembly in the integration and formulation of state rural development and revitalization policy and long-range plans for rural areas and in answering needs related thereto;

(6) To analyze and make recommendations concerning proposed new state legislation or programs that may affect rural areas;

(7) To apply for and receive grants or financial assistance from the federal government or other agencies, individuals, or corporations;

(8) To assist the ~~Governor~~ secretary in coordinating the

activities and services of those departments and agencies of the state having relationships with local rural agencies, individuals, and corporations in order to provide more effective service to them and to simplify state procedures relating thereto;

(9) To keep the ~~Governor~~ secretary informed about the problems and needs of agencies, individuals, and corporations that are involved with rural development and revitalization and to assist in formulating policies with respect thereto and utilizing the resources of state government for the benefit of rural areas;

(10) To promote and encourage the establishment of a nonprofit foundation, a Center for Rural Arkansas, and to cooperate and coordinate with and assist the center in accessing state and federal government and private nonprofit and corporate foundation grant funds to aid in rural development and revitalization for rural Arkansas; and

(11) To administer the conservation education programs established under § 6-16-1101 for the benefit of all school districts and conservation districts in the state, regardless of population.

(b) The ~~executive~~ director may prescribe and issue, pursuant to the Arkansas Administrative Procedure Act, § 25-15-201 et seq., such reasonable rules as may be necessary to carry out the provisions of this chapter.

SECTION 324. Arkansas Code § 15-6-107(a), concerning assistance programs and grants for the Rural Services Division of the Arkansas Economic Development Commission, is amended to read as follows:

(a) The Rural Services Division of the Arkansas Economic Development Commission shall request such specific information as the ~~Executive~~ Director of the Arkansas Economic Development Commission determines to be necessary concerning assistance programs and grants administered by federal, state, and local agencies, individuals, and corporations designed to enhance rural areas. The information shall be used to advise local agencies, individuals, or corporations for the purpose of promoting coordination in program or grant efforts wherever feasible or proper.

SECTION 325. The introductory language of Arkansas Code § 15-6-107(c), concerning assistance programs and grants for the Rural Services Division of the Arkansas Economic Development Commission, is amended to read as follows:

(c) The division, so far as possible, shall render such assistance, and the ~~executive~~ director may designate an officer or employee of the division to act as an expediter for the purpose of:

SECTION 326. Arkansas Code § 15-11-503(1) and (2), concerning the definitions of "agreement" and "approved company" under the Arkansas Tourism Development Act, are amended to read as follows:

(1) "Agreement" means an agreement entered into pursuant to § 15-11-506 by and between the ~~Executive~~ Director of the Arkansas Economic Development Commission and an approved company with respect to a tourism attraction project;

(2) "Approved company" means any eligible company that is seeking to undertake a tourism attraction project and is approved by the ~~executive~~ director pursuant to §§ 15-11-505 and 15-11-506;

SECTION 327. Arkansas Code § 15-11-503(4), concerning the definition of "eligible company" under the Arkansas Tourism Development Act, is amended to read as follows:

(4) "Eligible company" means any corporation, limited liability company, partnership, registered limited liability partnership, sole proprietorship, business trust, or any other entity that invests a minimum of five hundred thousand dollars (\$500,000) in a high-unemployment county or one million dollars (\$1,000,000) in any other county for the purpose of constructing, operating, or intending to operate a tourism attraction project, whether owned or leased, within the state that meets the standards promulgated by the ~~executive~~ director pursuant to § 15-11-504;

SECTION 328. Arkansas Code § 15-11-503(5), concerning the definition of "executive director" under the Arkansas Tourism Development Act, is repealed.

~~(5) "Executive director" means the Executive Director of the Arkansas Economic Development Commission or the executive director's designated representative;~~

SECTION 329. Arkansas Code § 15-11-503(7), concerning the definition of "high unemployment" under the Arkansas Tourism Development Act, is amended

to read as follows:

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

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

SECTION 330. Arkansas Code § 15-11-504(a) and (b), concerning the evaluation standards of applications for tourism attraction projects, are amended to read as follows:

(a) The ~~Executive~~ Director of the Arkansas Economic Development Commission shall establish standards for the making of applications for inducements to eligible companies and their tourism attraction projects by the promulgation of administrative regulations in accordance with the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

(b) With respect to each eligible company making an application to the ~~executive~~ director for inducements and with respect to the tourism attraction project described in the application, the ~~executive~~ director shall make inquiries and request materials of the applicant that shall include, but shall not be limited to:

(1) Marketing plans for the tourism attraction project that target individuals who are not residents of the state;

(2) A description and location of the tourism attraction project;

(3) Capital and other anticipated expenditures for the tourism attraction project that indicate that the total cost of the tourism attraction project shall exceed five hundred thousand dollars (\$500,000) in a high-unemployment county and one million dollars (\$1,000,000) in all other counties and the anticipated sources of funding for the tourism attraction project;

(4) The anticipated employment and wages to be paid at the tourism attraction project;

(5) Business plans which indicate the average number of days in a year in which the tourism attraction project will be in operation and open to the public; and

(6) The anticipated revenues and expenses generated by the tourism attraction project.

SECTION 331. Arkansas Code § 15-11-505 is amended to read as follows:

15-11-505. Standards for preliminary and final approval of companies and projects.

(a) The ~~Executive~~ Director of the Arkansas Economic Development Commission shall establish standards for final approval of eligible companies and their tourism attraction projects by the promulgation of administrative regulations in accordance with the Arkansas Administrative Procedure Act, § 25-15-201 et seq.

(b) The ~~Executive~~ Director of the Arkansas Economic Development Commission shall obtain the review and advice of the Director of the ~~Department~~ Division of Parks and Tourism prior to designating an entity as an approved company eligible for the tourism incentive.

(c) The ~~Executive~~ Director of the Arkansas Economic Development Commission may give approval by designating an eligible company as an approved company and authorizing the undertaking of the tourism attraction project.

(d) The ~~Executive~~ Director of the Arkansas Economic Development Commission shall review the information that has been made available to the ~~Executive~~ Director of the Arkansas Economic Development Commission in order to determine whether the tourism attraction project will further the purposes of this subchapter.

(e) The criteria for final approval of eligible companies and tourism attraction projects shall include, but shall not be limited to, the criteria set forth in § 15-11-504(c).

(f) After a review of the relevant materials, other information made available to the ~~Executive~~ Director of the Arkansas Economic Development Commission, the completion of other inquiries, and the review and advice of the Director of the ~~Department~~ Division of Parks and Tourism, the ~~Executive~~

Director of the Arkansas Economic Development Commission may give final approval to the eligible company's application for a tourism attraction project and may grant the approval to the eligible company in the form of a financial incentive agreement.

SECTION 332. Arkansas Code § 15-11-506(a), concerning contracts with the Arkansas Economic Development Commission for tourism attraction projects, is amended to read as follows:

(a) Upon granting final approval, the ~~Executive~~ Director of the Arkansas Economic Development Commission may enter into an agreement with an approved company with respect to its tourism attraction project.

SECTION 333. Arkansas Code § 15-11-506(b)(1), concerning contracts with the Arkansas Economic Development Commission for tourism attraction projects, is amended to read as follows:

(1) The amount of approved costs, which shall be determined by negotiations between the ~~Executive Director of the Arkansas Economic Development Commission~~ director and the approved company;

SECTION 334. Arkansas Code § 15-11-506(b)(2)(B), concerning contracts with the Arkansas Economic Development Commission for tourism attraction projects, is amended to read as follows:

(B) Within three (3) months of the completion date, the approved company shall document the actual cost of the tourism attraction project through a certification of such costs by an independent certified public accountant acceptable to the ~~Executive Director of the Arkansas Economic Development Commission~~ director; and

SECTION 335. Arkansas Code § 15-11-506(b)(3)(A)(ii), concerning contracts with the Arkansas Economic Development Commission for tourism attraction projects, is amended to read as follows:

(ii) However, the term of the agreement may be extended for up to two (2) additional years by the ~~Executive Director of the Arkansas Economic Development Commission~~ director with the advice and consent of the ~~Director~~ Secretary of the Department of Finance and Administration, if the ~~Executive Director of the Arkansas Economic Development Commission~~

director determines that:

(a) The failure to complete the tourism attraction project within two (2) years resulted from unanticipated and unavoidable delay in the construction of the tourism attraction project;

(b) The tourism attraction project as originally planned will require more than two (2) years to complete; or

(c) The failure to complete the tourism attraction project within two (2) years resulted from a merger, acquisition, or other change in business ownership or business structure;

SECTION 336. Arkansas Code § 15-11-506(b)(3)(C), concerning contracts with the Arkansas Economic Development Commission for tourism attraction projects, is amended to read as follows:

(C) Within forty-five (45) days after the end of each calendar year, the approved company shall supply the ~~Executive Director of the Arkansas Economic Development Commission~~ director with such reports and certifications as the ~~Executive Director of the Arkansas Economic Development Commission~~ director may request, demonstrating to the satisfaction of the ~~Executive Director of the Arkansas Economic Development Commission~~ director that the approved company is in compliance with the provisions of this subchapter; and

SECTION 337. Arkansas Code § 15-11-506(d) and (e), concerning contracts with the Arkansas Economic Development Commission for tourism attraction projects, are amended to read as follows:

(d) If the approved company utilizes sales tax credits which are subsequently disallowed, then the approved company will be liable for the payment to the ~~Director~~ Secretary of the Department of Finance and Administration of all taxes resulting from the disallowance of the credits, plus applicable penalties and interest.

(e) The ~~Executive Director of the Arkansas Economic Development Commission~~ director shall provide a copy of each agreement entered into with an approved company to the ~~Director~~ Secretary of the Department of Finance and Administration.

SECTION 338. Arkansas Code § 15-11-507(a) and (b), concerning tourism

attraction project sales tax credits, are amended to read as follows:

(a) Upon receiving notification from the ~~Executive~~ Director of the Arkansas Economic Development Commission that an approved company has entered into a tourism attraction project agreement and is entitled to the sales tax credits provided by this subchapter, the ~~Director~~ Secretary of the Department of Finance and Administration shall provide the approved company with such forms and instructions as are necessary to claim those credits.

(b)(1)(A)(i)(a) An approved company shall be entitled to a credit if the approved company certifies to the ~~Director~~ Secretary of the Department of Finance and Administration that it has expended at least five hundred thousand dollars (\$500,000) in a high-unemployment county and one million dollars (\$1,000,000) in all other counties in approved costs and the ~~Executive Director of the Arkansas Economic Development Commission~~ director certifies that the approved company is in compliance with this subchapter.

(b)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall then issue a sales tax credit memorandum to the approved company equal to fifteen percent (15%) of the approved costs.

(2) However, in high-unemployment counties the ~~Director~~ Secretary of the Department of Finance and Administration shall issue a credit memorandum to the approved company equal to twenty-five percent (25%) of the approved costs.

(c) The sales tax credit memorandum shall not include an offset of the tourism tax levied under § 26-63-401 et seq.

(ii) Subsequent requests for credit for additional certified approved costs shall be filed with the Department of Finance and Administration during the term of the agreement.

(B)(i) The ~~Director~~ Secretary of the Department of Finance and Administration may require proof of expenditures.

(ii) Additional credit memoranda may be issued as the approved company certifies additional expenditures of approved costs.

(2)(A) No sales tax credit memorandum shall be issued for any approved costs expended after the expiration of two (2) years from the date the agreement was signed by the ~~Executive Director of the Arkansas Economic Development Commission~~ director and the approved company.

(B) However, the ~~Executive Director of the Arkansas~~

~~Economic Development Commission~~ director, with the advice and consent of the ~~Director~~ Secretary of the Department of Finance and Administration, may authorize sales tax credits for approved costs expended up to four (4) years from the date the agreement was signed if the ~~Executive Director of the Arkansas Economic Development Commission~~ director determines that the failure to complete the tourism attraction project within two (2) years resulted from:

- (i) Unanticipated and unavoidable delay in the construction of the tourism attraction project;
- (ii) The tourism attraction project, as originally planned, will require more than two (2) years to complete; or
- (iii) A change in business ownership or business structure resulting from a merger or acquisition.

SECTION 339. Arkansas Code § 15-11-507(e)-(g), concerning tourism attraction project sales tax credits, are amended to read as follows:

(e) By April 1 of each year, the ~~Director~~ Secretary of the Department of Finance and Administration shall certify to the ~~Executive Director of the Arkansas Economic Development Commission~~ director the state sales tax liability of the approved companies receiving inducements under this section and the amount of state sales tax credits taken during the preceding calendar year.

(f)(1) The ~~Director~~ Secretary of the Department of Finance and Administration may promulgate administrative regulations as are necessary for the proper administration of this subchapter.

(2) The ~~Director~~ Secretary of the Department of Finance and Administration may also develop such forms and instructions as are necessary for an approved company to claim the sales tax credit provided by this subchapter.

(g)(1) The ~~Director~~ Secretary of the Department of Finance and Administration shall have the authority to obtain any information necessary from the approved company and the ~~Executive Director of the Arkansas Economic Development Commission~~ director to verify that approved companies have received the proper amounts of sales tax credits as authorized by this subchapter.

(2) The ~~Director~~ Secretary of the Department of Finance and

Administration shall demand the repayment of any credits taken in excess of the credit allowed by this subchapter.

SECTION 340. Arkansas Code § 15-11-509(b), concerning an income tax credit for tourism attraction projects, is amended to read as follows:

(b) Upon notification from the ~~Executive~~ Director of the Arkansas Economic Development Commission that an approved company has entered into a tourism attraction project agreement and is entitled to the income tax credit provided by this section, the ~~Director~~ Secretary of the Department of Finance and Administration shall provide the approved company with such forms and instructions as are necessary to claim those credits.

SECTION 341. Arkansas Code § 15-11-511(d)(1)-(3), concerning special rules and qualified amusement parks, are amended to read as follows:

(d)(1) Notwithstanding the other provisions of this subchapter, a qualified amusement park that on or after January 1, 2006, enters into an agreement that provides that the qualified amusement park shall expend approved costs of more than one million dollars (\$1,000,000) shall be entitled to a sales tax credit if the qualified amusement park certifies to the ~~Director~~ Secretary of the Department of Finance and Administration that it has expended at least one million dollars (\$1,000,000) in approved costs and the ~~Executive~~ Director of the Arkansas Economic Development Commission certifies that the qualified amusement park is in compliance with this subchapter.

(2) The ~~Director~~ Secretary of the Department of Finance and Administration shall then issue a sales tax credit memorandum to the qualified amusement park equal to twenty-five percent (25%) of the approved costs. The sales tax credit memorandum may be used to offset the liability of the qualified amusement park for:

(A) Gross receipts tax levied under the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq.; and

(B) Tourism gross receipts tax levied under § 26-52-1001 et seq. [repealed].

(3) The ~~Director~~ Secretary of the Department of Finance and Administration may require proof of expenditures.

SECTION 342. Arkansas Code § 15-11-511(d)(5), concerning special rules and qualified amusement parks, is amended to read as follows:

(5)(A) No sales tax credit memorandum shall be issued for any approved costs expended after the expiration of two (2) years from the date the agreement was signed by the ~~Executive Director of the Arkansas Economic Development Commission~~ director and the qualified amusement park.

(B) However, the ~~Director~~ Secretary of the Department of Finance and Administration, with the advice and consent of the ~~Executive Director of the Arkansas Economic Development Commission~~ director, may authorize sales tax credits for approved costs expended up to four (4) years from the date the agreement was signed if the ~~Executive Director of the Arkansas Economic Development Commission~~ director determines that the failure to complete the tourism attraction project within two (2) years resulted from:

- (i) Unanticipated and unavoidable delay in the construction of the tourism attraction project;
- (ii) The tourism attraction project, as originally planned, will require more than two (2) years to complete; or
- (iii) A change in business ownership or business structure resulting from a merger or an acquisition.

SECTION 343. Arkansas Code § 15-11-511(d)(8), concerning special rules and qualified amusement parks, is amended to read as follows:

(8) By April 1 of each year, the ~~Director~~ Secretary of the Department of Finance and Administration shall certify to the ~~Executive Director of the Arkansas Economic Development Commission~~ director the state sales tax liability of the qualified amusement parks receiving inducements under this section and the amount of state sales tax credits taken during the preceding calendar year.

SECTION 344. Arkansas Code § 15-23-203 is amended to read as follows:
15-23-203. Employees.

The Arkansas Waterways Commission may employ ~~an Executive~~ a Director of the Arkansas Waterways Commission ~~and such other employees~~ as authorized by law and fix the ~~salaries thereof~~ salary of the director within the limitations of funds appropriated therefor to assist the commission in the

performance of its duties under this subchapter.

SECTION 345. Arkansas Code § 16-93-308(h)(1), concerning the revocation of probation, is amended to read as follows:

(h)(1) A court shall not revoke a suspension of sentence or probation because of a person's inability to achieve a high school diploma, high school equivalency diploma approved by the Adult Education Section of the Division of Workforce Services, or gainful employment.

SECTION 346. Arkansas Code § 16-93-308(h)(2)(A), concerning the revocation of probation, is amended to read as follows:

(2)(A) However, the court may revoke a suspension of sentence or probation if the person fails to make a good faith effort to achieve a high school diploma, high school equivalency diploma approved by the Adult Education Section of the Division of Workforce Services, or gainful employment.

SECTION 347. Arkansas Code § 16-93-308(h)(2)(B)(i), concerning the revocation of probation, is amended to read as follows:

(i) Has been enrolled in a program of instruction leading to a high school diploma or a high school equivalency diploma approved by the Adult Education Section of the Division of Workforce Services and is attending a school or an adult education course; or

SECTION 348. Arkansas Code § 17-38-401(3), concerning the definition of "department" under the apprentice plumber program, is repealed.

~~(3) "Department" means the Department of Career Education.~~

SECTION 349. Arkansas Code § 17-25-402(b)(1), concerning the expenses and disposition of funds of the Contractors Licensing Board, is amended to read as follows:

(b)(1) All taxes, premiums, contributions, penalties, interest, and fines collected pursuant to this subchapter, except enforcement penalties, shall be distributed pro rata, based upon the amount of taxes, premiums, and contributions due to the Department of Finance and Administration, the ~~Department~~ Division of Workforce Services, the Workers' Compensation

Commission, or any city, county, or school district, or any other state agency or other political subdivision of the state, first to the extent of any taxes, premiums, and contributions due with any remainder applied to interest, penalties, and fines, in that order.

SECTION 350. Arkansas Code § 17-25-406(a)(1), concerning the notice of bond cancellation, is amended to read as follows:

(a)(1) Notice of bond cancellation shall be given to the Contractors Licensing Board in writing sixty (60) days before cancellation. The board shall notify the Department of Finance and Administration, the ~~Department~~ Division of Workforce Services, and the Workers' Compensation Commission of the notice of cancellation.

SECTION 351. Arkansas Code § 17-25-404(b)(3), concerning bond filing and terms with the Contractors Licensing Board, is amended to read as follows:

(3) Conditioned on the contractor's complying with the tax laws of the State of Arkansas and, when applicable, the ordinances, rules, and regulations of any city, county, school district, state agency, or other political subdivision of the state, the ~~Department~~ Division of Workforce Services Law, § 11-10-101 et seq., the Workers' Compensation Law, § 11-9-101 et seq., and the provisions of this subchapter.

SECTION 352. Arkansas Code § 17-38-402(3)(A), concerning the powers of the Career Education and Workforce Development Board, is amended to read as follows:

(A) The ~~Department of Career Education~~ Office of Skills Development;

SECTION 353. Arkansas Code § 17-38-402(4)(A) and (B), concerning the powers of the Career Education and Workforce Development Board, are amended to read as follows:

(A) The ~~Department of Education~~ United States Department of Labor will maintain the responsibility for a correspondence course. However, the ~~Department of Education~~ United States Department of Labor shall delegate the administration of the correspondence course to the ~~Department of~~

~~Career Education~~ Office of Skills Development;

(B) The correspondence course material shall be developed by the ~~Department of Education~~ Division of Elementary and Secondary Education, subject to the approval of the State Apprenticeship Committee and the Department of Health, and made available and to be implemented by the local apprenticeship committee; and

SECTION 354. Arkansas Code § 17-38-403(c), concerning the State Apprenticeship Committee, is amended to read as follows:

(c) The Director of the ~~Department of Career Education~~ Office of Skills Development or his or her designee shall serve as a nonvoting advisory member to the committee.

SECTION 355. Arkansas Code § 17-38-407 is amended to read as follows:
17-38-407. Fees for correspondence courses.

The ~~Department of Career Education~~ Office of Skills Development is authorized to charge reasonable fees to those persons approved for correspondence courses for the costs of development, procurement, administration, and material associated with the correspondence course.

SECTION 356. Arkansas Code § 17-38-408 is amended to read as follows:
17-38-408. Disposition of fees and payments – Uses of funds.

(a) All fees or payments of any type collected by the ~~Department of Career Education~~ Office of Skills Development under this subchapter shall be deposited into the State Treasury on or before the fifth day of the month next following the month of collection of the fees or payments. The Treasurer of State shall credit the fees or payments to the credit of the Apprentice Plumbers Training Fund which is hereby created on the books of the Treasurer of State.

(b) All funds deposited into the Apprentice Plumbers Training Fund shall be used for the maintenance, operation, and improvement of the apprentice plumbers training program administered by the ~~department~~ office.

SECTION 357. Arkansas Code § 19-4-803(a)(5), concerning exemptions under the accounting and budgetary procedures regarding the expenditure of cash funds, is amended to read as follows:

(5) The Benefit Fund of the ~~Department~~ Division of Workforce Services;

SECTION 358. Arkansas Code § 19-5-701 is amended to read as follows:
19-5-701. Purpose.

It is the purpose of this subchapter that all programs, regardless of their funding source, contribute equally to the cost of unemployment compensation benefits charged to the state agencies operating such programs. It is not the intent of this subchapter that the State of Arkansas relinquish its status as a nontaxable reimbursable employer under the ~~Department~~ Division of Workforce Services Law, § 11-10-101 et seq.

SECTION 359. Arkansas Code § 19-5-702(1), concerning the definition of "contribution" under the laws governing the reimbursement of unemployment compensation benefits, is amended to read as follows:

(1) "Contribution" means a percentage of payroll expenditures paid to the Unemployment Compensation Revolving Fund by a state agency in order to provide current and timely reimbursements of benefits paid by the ~~Department~~ Division of Workforce Services Law, § 11-10-101 et seq., for unemployment benefits charged to the agency;

SECTION 360. Arkansas Code § 19-5-704(b), concerning the administration reimbursement of unemployment compensation benefits, is amended to read as follows:

(b) Upon certification to the Chief Fiscal Officer of the State by the ~~Department~~ Division of Workforce Services of unemployment compensation benefits paid during a benefit period and charged to a state agency, the Chief Fiscal Officer of the State shall direct that reimbursement be made to the ~~department~~ division from the Unemployment Compensation Revolving Fund for such amounts as are properly certified.

SECTION 361. Arkansas Code § 19-5-706(c), concerning the Unemployment Compensation Revolving Fund, is amended to read as follows:

(c) The funds shall be used to reimburse the ~~Department~~ Division of Workforce Services, in a timely manner, for unemployment compensation benefits paid by the ~~department~~ division and charged to a state agency, as

provided in this subchapter and other laws applicable to state employees' unemployment compensation and for such other purposes as may be authorized by law.

SECTION 362. Arkansas Code § 19-5-709(a), loans to the Unemployment Compensation Revolving Fund, is amended to read as follows:

(a) In the event that the Unemployment Compensation Revolving Fund does not have sufficient funds available from contributions by state agencies to make reimbursement to the ~~Department~~ Division of Workforce Services for benefits paid, loans may be made from the Budget Stabilization Trust Fund to make such payments.

SECTION 363. Arkansas Code § 19-5-912 is amended to read as follows:

19-5-912. ~~Department~~ Division of Workforce Services Trust Fund.

(a) There is established on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a trust fund to be known as the "~~Department~~ Division of Workforce Services Trust Fund".

(b) The fund shall consist of such revenues as may be authorized by the federal government for support of various programs within the ~~Department~~ Division of Workforce Services, any interest accruing on these revenues, and any other funds made available by the General Assembly.

(c) The fund shall be used for the payment of program expenses of the ~~department~~ division.

SECTION 364. Arkansas Code § 19-5-939(c), concerning the Unemployment Compensation Revolving Fund, is amended to read as follows:

(c) The funds shall be used to reimburse the ~~Department~~ Division of Workforce Services, in a timely manner, for unemployment compensation benefits paid by the ~~department~~ division and charged to a state agency, as provided in § 19-5-701 et seq., and other laws applicable to state employees' unemployment compensation and for such other purposes as may be authorized by law.

SECTION 365. Arkansas Code § 19-5-984 is amended to read as follows:

19-5-984. ~~Department~~ Division of Workforce Services Special Fund.

(a) There is established on the books of the Treasurer of State, the

Auditor of State, and the Chief Fiscal Officer of the State a fund to be known as the "~~Department~~ Division of Workforce Services Special Fund".

(b)(1) The fund shall consist of unemployment compensation contribution interest and penalty payments collected under §§ 11-10-716 – 11-10-723 and interest and penalty payments on overpayments collected under § 11-10-532.

(2) The fund shall be used for refunds of interest and penalties erroneously paid and other additional purposes necessary to the proper administration of the ~~Department~~ Division of Workforce Services Law, § 11-10-101 et seq., as determined by the Director of the ~~Department~~ Division of Workforce Services under §§ 11-10-532 and 11-10-716 – 11-10-723.

(c) The director shall report to the Legislative Council on a quarterly basis on all uses of the fund.

SECTION 366. Arkansas Code § 19-5-999(a), concerning the Individual Development Account Trust Fund, is amended to read as follows:

(a) There is created on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a trust fund for the ~~Department~~ Division of Workforce Services to be designated the "Individual Development Account Trust Fund".

SECTION 367. Arkansas Code § 19-5-1097(b), concerning the Public Roads Incentive Fund, is amended to read as follows:

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

SECTION 368. Arkansas Code § 19-5-1097(c)(2), concerning the Public Roads Incentive Fund, is amended to read as follows:

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

SECTION 369. Arkansas Code § 19-5-1131 is amended to read as follows:
19-5-1131. ~~Department~~ Division of Workforce Services Training Trust

Fund.

(a) There is established on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a trust fund to be known as the "~~Department~~ Division of Workforce Services Training Trust Fund".

(b)(1) The fund shall consist of the proceeds of the stabilization tax specified in § 11-10-706(f), any interest accruing on these revenues, and any other funds made available by the General Assembly.

(2) The fund shall be used for worker training under rules and regulations promulgated by the Director of the ~~Department~~ Division of Workforce Services.

(c) The director shall report to the Legislative Council on a quarterly basis on all uses of the fund.

SECTION 370. Arkansas Code § 19-5-1232 is amended to read as follows:

19-5-1232. ~~Department~~ Division of Workforce Services Unemployment Insurance Administration Fund.

(a) There is established on the books of the Treasurer of State, the Auditor of State, and the Chief Fiscal Officer of the State a miscellaneous fund to be known as the "~~Department~~ Division of Workforce Services Unemployment Insurance Administration Fund".

(b)(1) The fund shall consist of the proceeds of the stabilization tax as specified in § 11-10-706(f), any interest accruing on these revenues, and any other funds made available by the General Assembly.

(2) The fund shall be used for personal services and operating expenses of the unemployment insurance program necessary to the proper administration of the ~~Department~~ Division of Workforce Services Law, § 11-10-101 et seq., as determined by the Director of the ~~Department~~ Division of Workforce Services.

(c) The ~~Director of the Department of Workforce Services~~ director shall report to the Legislative Council on a quarterly basis on all uses of the fund.

SECTION 371. Arkansas Code § 19-5-1234 is amended to read as follows:

19-5-1234. ~~Department~~ Division of Workforce Services Fund.

(a) There is created on the books of the Treasurer of State, the

Auditor of State, and the Chief Fiscal Officer of the State a fund to be known as the "~~Department~~ Division of Workforce Services Fund".

(b) The fund shall consist of those general revenues as may be authorized by law and any other nonfederal funds as may be provided by law.

(c) The fund shall be used for the maintenance, operation, and improvement required by the ~~Department~~ Division of Workforce Services in carrying out those powers, functions, and duties imposed by law upon the Director of the ~~Department~~ Division of Workforce Services as set out in the ~~Department~~ Division of Workforce Services Law, § 11-10-101 et seq., and § 20-76-101 et seq., or any other duties that may be imposed by law upon the ~~department~~ division, including those duties transferred to the ~~department~~ division under the provisions of § 20-76-111 [repealed].

SECTION 372. Arkansas Code § 19-6-402 is amended to read as follows:

19-6-402. ~~Arkansas Department~~ Division of Aeronautics Fund.

The ~~Arkansas Department~~ Division of Aeronautics Fund shall consist of those special revenues as specified in § 19-6-301(17), there to be used for making grants-in-aid to qualifying airports of this state as authorized by law and for the maintenance, operation, and improvement required by the ~~Arkansas Department~~ Division of Aeronautics in carrying out the functions, powers, and duties, as set out in § 27-114-101 et seq., or other duties imposed by law upon the department.

SECTION 373. Arkansas Code § 19-10-204(b)(1)(A)(i)(b), concerning jurisdiction of the Arkansas State Claims Commission, is amended to read as follows:

(b) The ~~Department~~ Division of Workforce Services Law, § 11-10-101 et seq.;

SECTION 374. Arkansas Code § 19-11-259(a)(2)(B)(ii), concerning the definition of "firm resident in Arkansas" under the law regarding preferences among bidders, is amended to read as follows:

(ii) For not fewer than two (2) successive years immediately prior to submitting a bid, has paid taxes under the ~~Department~~ Division of Workforce Services Law, § 11-10-101 et seq., unless exempt, and either the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., or the

Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., on any property used or intended to be used for or in connection with the firm's business; and

SECTION 375. Arkansas Code § 19-12-115(c)(1), derived from Initiated Act 1 of 2000 and concerning the establishment and administration of the Arkansas Biosciences Institute, is amended to read as follows:

(c)(1) Arkansas Biosciences Institute Board. There is hereby established the Arkansas Biosciences Institute Board which shall consist of the following: the President of the University of Arkansas; the President of Arkansas State University; the Chancellor of the University of Arkansas for Medical Sciences; the Chancellor of the University of Arkansas at Fayetteville; the Vice President for Agriculture of the University of Arkansas; the ~~Executive~~ Director of the Arkansas Economic Development Commission; the Director of the National Center for Toxicological Research; the President of Arkansas Children's Hospital; and two (2) individuals possessing recognized scientific, academic or business qualifications appointed by the Governor. The two (2) members of the Arkansas Biosciences Institute Board who are appointed by the Governor will serve four (4) year terms and are limited to serving two consecutive four (4) year terms. The terms shall commence on October 1 of each year. These members appointed by the Governor are not entitled to compensation for their services, but may receive expense reimbursement in accordance with § 25-16-902, to be paid from funds appropriated for this program. The Arkansas Biosciences Institute Board shall establish and appoint the members of an Industry Advisory Committee and a Science Advisory Committee composed of knowledgeable persons in the fields of industry and science. These Committees shall serve as resources for the Arkansas Biosciences Institute Board in their respective areas and will provide an avenue of communication to the Arkansas Biosciences Institute Board on areas of potential research.

SECTION 376. Arkansas Code § 19-12-117(a)(1)-(3), derived from Initiated Act 1 of 2000 concerning the establishment of the Arkansas Tobacco Settlement Commission, are amended to read as follows:

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

(2) ~~The Director of the Department of Education~~ Commissioner of Primary and Secondary Education or his or her designee;

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

SECTION 377. Arkansas Code § 19-12-117(h), derived from Initiated Act 1 of 2000 concerning the establishment of the Arkansas Tobacco Settlement Commission, is amended to read as follows:

(h) ~~The commission is authorized to hire such staff as it may reasonably need to carry out the duties described in this chapter. The costs and expenses of the monitoring and evaluation program, as well as the salaries, costs, and expenses of staff shall be paid from the Arkansas Tobacco Settlement Commission Fund established pursuant to § 19-12-108.~~

SECTION 378. Arkansas Code § 20-14-203(a), concerning ex officio members of the Governor's Commission on People with Disabilities, is amended to read as follows:

(a) The Director of ~~the Department of Human Services~~ Arkansas Rehabilitation Services, the deputy director of the appropriate division as determined by the ~~Director~~ Secretary of the Department of ~~Human Services~~ Commerce, and the Director of the ~~Department~~ Division of Workforce Services or any director, commissioner, or administrator of successors' agencies shall serve as ex officio members of the Governor's Commission on People with Disabilities.

SECTION 379. Arkansas Code § 20-14-207(b)(1), concerning the Executive Board of the Governor's Commission on People with Disabilities, is repealed.

~~(1) Appointing, subject to the personnel law, such staff as is necessary to carry out the commission's objectives of the Governor's Commission on people with Disabilities;~~

SECTION 380. Arkansas Code § 20-14-209 is amended to read as follows:
20-14-209. Administrative support.

(a) The appropriate division as determined by the ~~Director of the Department of Human Services~~ Director of Arkansas Rehabilitation Services, Secretary of the Department of Commerce, or any other agency or division as

the Governor shall designate shall provide administrative support to the Governor's Commission on People with Disabilities.

(b) A representative of the ~~appropriate division as determined by the director or any other agency or division as the Governor shall designate~~ Secretary of the Department of Commerce shall be appointed as ~~executive~~ director to effect the coordination between the division and the Chair of the Governor's Commission on People with Disabilities in the arrangement of the support.

SECTION 381. Arkansas Code § 20-76-102(a) and (b), concerning coordination of state agency service deliver, is amended to read as follows:

(a) To ensure that all available state government resources are used to help transitional employment assistance recipients make the transition from welfare to work, each of the following state agencies and organizations shall also be required to work with the ~~Department~~ Division of Workforce Services in providing transitional employment assistance services:

- (1) The Department of Human Services;
- (2) The ~~Department~~ Division of Higher Education, including community colleges and the University of Arkansas Cooperative Extension Service;
- (3) The ~~Department of Education~~ Division of Elementary and Secondary Education;
- (4) The Arkansas Development Finance Authority;
- (5) The Arkansas Economic Development Council;
- (6) The Arkansas Department of Transportation;
- (7) The Department of Finance and Administration, including the Office of Child Support Enforcement;
- (8) The Adult Learning Alliance, Inc.;
- (9) The ~~Department of Career Education~~ Adult Education Section of the Division of Workforce Services; and
- (10) Other state agencies as directed by the Governor or as directed by the General Assembly.

(b) State agencies required under subsection (a) of this section to work with the ~~Department~~ Division of Workforce Services in providing transitional employment assistance services to recipients shall make every effort to use financial resources in their respective budgets and to seek

additional funding sources, whether private or federal, to supplement the moneys allocated by the ~~Department~~ Division of Workforce Services for the Transitional Employment Assistance Program.

SECTION 382. The introductory language of Arkansas Code § 20-76-106(a), concerning Transitional Employment Assistance and the statewide implementation plan, is amended to read as follows:

(a) The ~~Department~~ Division of Workforce Services shall:

SECTION 383. Arkansas Code § 20-76-106(b)(1), concerning Transitional Employment Assistance and the statewide implementation plan, is amended to read as follows:

(1) Performance standards and measurement criteria for state and county offices of the Department of Human Services, the ~~Department~~ Division of Workforce Services, and all service providers under the program;

SECTION 384. Arkansas Code § 20-76-106(c)(1) and (2), concerning Transitional Employment Assistance and the statewide implementation plan, are amended to read as follows:

(c)(1)(A) The ~~Department~~ Division of Workforce Services shall prepare a comprehensive annual program report.

(B) The report shall be subject to review and recommendation by the board.

(2) The ~~Department~~ Division of Workforce Services shall submit the comprehensive annual program report to the Governor, the House Committee on Public Health, Welfare, and Labor, and the Senate Committee on Public Health, Welfare, and Labor.

SECTION 385. The introductory language of Arkansas Code § 20-76-109, concerning the use of contracts by the Department of Workforce Services, is amended to read as follows:

The ~~Department~~ Division of Workforce Services, as appropriate, should provide work activities, training, and other services through contracts. In contracting for work activities, training, or services, the following apply:

SECTION 386. Arkansas Code § 20-76-109(4)(A), concerning the use of

contracts by the Department of Workforce Services, is amended to read as follows:

(4)(A) The ~~department~~ division may contract with commercial, charitable, or faith-based organizations.

SECTION 387. Arkansas Code § 20-76-113(b) and (c), concerning promoting outcomes for the Transitional Employment Assistance Program and Arkansas Workforce Pays Program, are amended to read as follows:

(b) The ~~Department of Workforce Services~~ division shall develop and maintain the indicators for the Transitional Employment Assistance Program outcomes listed in subdivisions (a)(1)-(5) of this section, subject to review and approval by the Arkansas Workforce Development Board.

(c)(1) The ~~Department of Workforce Services~~ division shall develop proper targets for each Transitional Employment Assistance Program outcome by July 1 of each year, subject to review and approval by the board.

(2) The ~~Department of Workforce Services~~ division shall review and report on progress in achieving the targets in the comprehensive annual program report.

(3)(A) On the forty-fifth day after the end of the federal fiscal year, the report shall be submitted to the Governor and to the Chair of the House Committee on Public Health, Welfare, and Labor and the Chair of the Senate Committee on Public Health, Welfare, and Labor.

(B) The report shall include comments from the Department of Human Services, the ~~Department~~ Division of Workforce Services, and other relevant state agencies about their activities and their progress toward the Transitional Employment Assistance Program outcome targets.

SECTION 388. Arkansas Code § 20-76-209(a), concerning payment of certain contributions and withholdings by Department of Human Services, is amended to read as follows:

(a) The appropriate division of the Department of Human Services is authorized to pay the employer's portion of contributions and withholdings required by the federal and state income tax laws, the Federal Insurance Contributions Law, the Workers' Compensation Law, § 11-9-101 et seq., and the ~~Department~~ Division of Workforce Services Law, § 11-10-101 et seq., in all cases wherein the recipient has been determined to be the employer of the

provider and, as such, required to withhold an amount from the employee's wage and contribute an amount based upon the wages under the provisions of the above enumerated acts.

SECTION 389. Arkansas Code § 20-76-210(a), concerning the payment of certain contributions and withholdings for certain nursing home care projects, is amended to read as follows:

(a) The appropriate division of the Department of Human Services is authorized to pay the employer's portion of contributions and withholdings required by the federal and state income tax laws, the Federal Insurance Contributions Act, the Workers' Compensation Law, § 11-9-101 et seq., and the ~~Department~~ Division of Workforce Services Law, § 11-10-101 et seq., in all cases wherein the homemaker and home health aid trainee is participating in the subsidized employment project to prevent premature nursing home care.

SECTION 390. Arkansas Code § 20-76-214(a), concerning the payment of certain contributions and withholdings related to transitional employment assistance, is amended to read as follows:

(a) The Department of Human Services is authorized to pay the employer's portion of contributions and withholdings required by the federal and state income tax laws, the Federal Insurance Contributions Act, the Workers' Compensation Law, § 11-9-101 et seq., the ~~Department~~ Division of Workforce Services Law, § 11-10-101 et seq., and private medical insurance premiums for eligible individuals where that is necessary to achieve employment assistance.

SECTION 391. Arkansas Code § 20-76-401(a)(2) and (3), concerning eligibility for the Transitional Employment Assistance Program, are amended to read as follows:

(2)(A) The Transitional Employment Assistance Program shall be administered by the Department of Human Services and the ~~Department~~ Division of Workforce Services.

(B) Subject to the order of the Governor, the ~~Department~~ Division of Workforce Services may take full authority for administering the Transitional Employment Assistance Program.

(C) The ~~Department~~ Division of Workforce Services may

contract with the Department of Human Services for administrative services.

(3) The ~~Department~~ Division of Workforce Services may operate a separate Transitional Employment Assistance Program Two-Parent Program funded by state funds not claimed for the federal Temporary Assistance for Needy Families program maintenance of effort requirement if the Director of the ~~Department~~ Division of Workforce Services deems such action necessary to avoid the risk of not meeting the two-parent work participation rate.

SECTION 392. The introductory language of Arkansas Code § 20-76-402(a), concerning work activities of the Department of Workforce Services, is amended to read as follows:

(a) The ~~Department~~ Division of Workforce Services shall develop and describe categories of approved work activities for transitional employment assistance recipients in accordance with this section. The rules shall be subject to review and recommendation by the Arkansas Workforce Development Board. Approved work activities may include unsubsidized employment, subsidized private sector employment, subsidized public sector employment, education or training, vocational educational training, skills training, job search and job readiness assistance, on-the-job training, micro enterprise, community service, and work experience. For purposes of this section:

SECTION 393. The introductory language of Arkansas Code § 20-76-402(a)(2)(A), concerning work activities of the Department of Workforce Services, is amended to read as follows:

(2)(A) "Subsidized private sector employment" is employment in a private for-profit enterprise or a private not-for-profit enterprise which is directly supplemented by federal or state funds. A program recipient in subsidized private sector employment shall be eligible for the same benefits as a nonsubsidized employee who performs similar work. Before receiving any subsidy or incentive, an employer shall enter into a written contract with the ~~Department~~ Division of Workforce Services which may include, but not be limited to, provisions addressing any of the following:

SECTION 394. Arkansas Code § 20-76-402(a)(2)(A)(v), concerning work activities of the Department of Workforce Services, is amended to read as follows:

(v) Weighting of incentive payments proportionally to the extent to which the recipient has limitations associated with the long-term receipt of welfare and difficulty in sustaining employment. In establishing incentive payments, the ~~Department~~ Division of Workforce Services shall consider the extent of the recipient's prior receipt of welfare, lack of employment experience, lack of education, lack of job skills, and other appropriate factors.

SECTION 395. Arkansas Code § 20-76-402(a)(2)(B), concerning work activities of the Department of Workforce Services, is amended to read as follows:

(B) The ~~Department~~ Division of Workforce Services may require an employer to repay some or all of a subsidy or incentive previously paid to an employer under the program unless the recipient is terminated for cause;

SECTION 396. The introductory language of Arkansas Code § 20-76-402(a)(3)(A), concerning work activities of the Department of Workforce Services, is amended to read as follows:

(3)(A) "Subsidized public sector employment" is employment by an agency of the federal, state, or local government which is directly supplemented by federal or state funds. A program recipient in subsidized public sector employment shall be eligible for the same benefits as a nonsubsidized employee who performs similar work. Before receiving any subsidy or incentive, an employer shall enter into a written contract with the ~~Department~~ Division of Workforce Services that may include, but not be limited to, provisions addressing any of the following:

SECTION 397. Arkansas Code § 20-76-402(a)(3)(A)(v), concerning work activities of the Department of Workforce Services, is amended to read as follows:

(v) Weighting of incentive payments proportionally to the extent to which the recipient has limitations associated with the long-term receipt of welfare and difficulty in sustaining employment. In establishing incentive payments, the ~~Department~~ Division of Workforce Services shall consider the extent of the recipient's prior receipt of

welfare, lack of employment experience, lack of education, lack of job skills, and other appropriate factors.

SECTION 398. Arkansas Code § 20-76-402(a)(3)(B), concerning work activities of the Department of Workforce Services, is amended to read as follows:

(B) The ~~Department~~ Division of Workforce Services may require an employer to repay some or all of a subsidy and incentive previously paid to an employer under the program unless the recipient is terminated for cause;

SECTION 399. Arkansas Code § 20-76-402(b)(1), concerning work activities of the Department of Workforce Services, is amended to read as follows:

(1) Be on the statewide or appropriate area list of occupations in the "Guide to Educational Training Programs for Demand Occupations" published by the ~~Department~~ Division of Workforce Services;

SECTION 400. Arkansas Code § 20-76-402(d), concerning work activities of the Department of Workforce Services, is amended to read as follows:

(d)(1) The ~~Department~~ Division of Workforce Services shall require participation in approved work activities to the maximum extent possible, subject to federal and state funding. If funds are projected to be insufficient to support full-time work activities by all program recipients who are required to participate in work activities, the ~~Department~~ Division of Workforce Services shall screen recipients and assign priority in accordance with the implementation plan.

(2) In accordance with the implementation plan, the ~~Department~~ Division of Workforce Services may limit a recipient's weekly work requirement to the minimum required to meet federal work activity requirements and may develop screening and prioritization procedures within employment opportunity districts or within counties based on the allocation of resources, the availability of community resources, or the work activity needs of the employment opportunity district or county.

SECTION 401. Arkansas Code § 20-76-402(e)(3), concerning work

activities of the Department of Workforce Services, is amended to read as follows:

(3) The ~~Department~~ Division of Workforce Services shall establish and maintain a grievance procedure for resolving complaints of alleged violations of subdivision (e)(2) of this section.

SECTION 402. The introductory language of Arkansas Code § 20-76-402(f), concerning work activities of the Department of Workforce Services, is amended to read as follows:

(f) The ~~Department~~ Division of Workforce Services, subject to review and recommendation by the board, shall establish criteria to exempt or temporarily defer the following persons from any work activity requirement:

SECTION 403. The introductory language of Arkansas Code § 20-76-402(f)(9), concerning work activities of the Department of Workforce Services, is amended to read as follows:

(9) An individual who, as determined by a ~~Department~~ Division of Workforce Services case manager, is unable to participate in work activities due directly to the effects of domestic violence. All case manager determinations made under this subdivision (f)(9) shall be reviewed by a supervisor within five (5) days of such determination;

SECTION 404. Arkansas Code § 20-76-404 is amended to read as follows:
20-76-404. Duration of assistance – Extended support services.

(a)(1) ~~Beginning July 1, 1998, the Department~~ The Division of Workforce Services shall not provide financial assistance to a family that includes an adult recipient who has received financial assistance for more than twenty-four (24) months, except as provided in subsection (c) of this section.

(2) The number of months need not be consecutive and shall include the time a recipient receives financial assistance from another state.

(3) The ~~Department~~ Division of Workforce Services may by regulation establish other limitations on the receipt of financial assistance not inconsistent with state or federal law.

(b)(1) The ~~Department~~ Division of Workforce Services shall certify to

the Governor, the House Committee on Public Health, Welfare, and Labor, and the Senate Committee on Public Health, Welfare, and Labor when the support services necessary for program recipients to obtain employment or participate in allowable work activities are available.

(2) The ~~Department~~ Division of Workforce Services may certify subsets of program recipients, including without limitation recipients in a certain geographical area or employment opportunity district or program recipients with a high school diploma or high school equivalency diploma approved by the Department of Career Education.

(3) Before implementing the twenty-four-month cumulative limit on financial assistance, the ~~Department~~ Division of Workforce Services shall notify program recipients by direct mail or contact and by other means reasonably calculated to reach to current and potential program recipients, including, but not limited to, the posting of notices in county offices.

(c) The ~~Department~~ Division of Workforce Services shall exempt or temporarily defer within thirty (30) calendar days the following persons from the twenty-four-month cumulative limit on financial assistance:

(1) An individual, as determined by a ~~Department~~ Division of Workforce Services case manager, who cooperated and participated in activities, but was unable to obtain employment because of circumstances or barriers beyond his or her control;

(2) Child-only cases;

(3) An individual unable to obtain employment because of the lack of support services necessary to overcome barriers to employment;

(4) A parent or caregiver over sixty (60) years of age;

(5) A parent or caregiver who is caring for a disabled child relative or disabled adult relative, based upon criteria set forth in ~~Department~~ Division of Workforce Services regulations;

(6) A disabled parent or caregiver, based upon criteria set forth in ~~Department~~ Division of Workforce Services regulations;

(7) A parent less than eighteen (18) years of age who resides in the home of a parent or in an approved adult-supervised setting and who participates in full-time education or training;

(8) An individual, who as determined by a ~~Department~~ Division of Workforce Services case manager, is unable to obtain employment due directly to the effects of domestic violence. All case manager determinations made

under this subdivision (c)(8) shall be reviewed by a supervisor within five (5) days of the determination;

(9) Other individuals as determined by the ~~Department~~ Division of Workforce Services, including, but not limited to, a child when necessary to protect the child from the risk of neglect, as defined by § 12-18-103(14); and

(10) Individuals participating in education and training activities who have reached the end of their twenty-four-month cumulative limit on financial assistance, have complied with all transitional employment assistance regulations, are making satisfactory academic progress as determined by the academic institution or training program in which the individual is currently enrolled, and are expected to complete the requirements for the education or training program within a reasonable period of time as defined in regulations issued by the ~~Department~~ Division of Workforce Services.

(d)(1) No months shall be counted toward a person's twenty-four-month cumulative limit on financial assistance while he or she is receiving a deferral or exemption.

(2) There shall be no limit on the length or the number of deferrals or exemptions granted each person as long as the person meets any of the criteria outlined in subsection (c) of this section.

(3) The ~~Department~~ Division of Workforce Services shall periodically review each case to determine whether the person still meets any of the criteria outlined in subsection (c) of this section.

(4)(A) The ~~Department~~ Division of Workforce Services shall carry out an enhanced review of all cases six (6) months before the expiration of the time limit.

(B) The review shall assess the barriers that remain to the adult or adults in the case obtaining employment, what enhanced services can be provided to enable him or her to obtain employment, and whether the case should be given a six-month extension or be exempted from the time limit.

(C) The ~~Department~~ Division of Workforce Services shall make every reasonable effort to deliver the available services identified in subdivision (d)(4)(B) of this section.

(D) The ~~Department~~ Division of Workforce Services shall

grant an extension at the time for review if the client meets one (1) of the grounds for extension.

(E) The ~~Department~~ Division of Workforce Services shall carry out a further review at the end of the extension period.

(e)(1) A recipient who was eligible for Medicaid and loses his or her financial assistance due to earnings and whose income remains below one hundred eighty-five percent (185%) of the federal poverty level shall remain eligible for transitional Medicaid without reapplication during the immediately succeeding twelve-month period if private medical insurance is unavailable from the employer.

(2) A recipient who loses his or her financial assistance due to earnings and who is employed shall be eligible for:

(A) Childcare assistance at no cost and without reapplication for a cumulative period of twelve (12) months; and

(B) Twenty-four (24) additional months of childcare assistance provided on a sliding fee scale or other cost-sharing arrangement as determined by the ~~Department~~ Division of Workforce Services.

(3) The ~~Department~~ Division of Workforce Services may reduce the period of transitional child care to a total of twenty-four (24) months for recipients who lose assistance at a specified date after the ~~Department~~ Division of Workforce Services' decision to limit the assistance if the ~~Department~~ Division of Workforce Services certifies to the Governor and the Chief Fiscal Officer of the State that the reduction is necessary to avoid overspending the biennial budget for child care.

(4) The transitional childcare assistance available to former recipients shall not exceed the cumulative number of months provided under subdivisions (e)(2) and (3) of this section, regardless of whether the former recipient reenters the Transitional Employment Assistance Program.

(f)(1) The ~~Department~~ Division of Workforce Services shall deny Medicaid, childcare, and transportation assistance during the twelve-month period for any month in which the recipient's family does not include a dependent child.

(2) The ~~Department~~ Division of Workforce Services shall notify the recipient of transitional Medicaid, childcare, and transportation assistance when the recipient is notified of the termination of cash assistance. The notice shall include a description of the circumstances in

which the transitional Medicaid and childcare assistance may be terminated.

(g)(1) In order to assist current and former program recipients in continuing training and upgrading skills, transitional education or training may be provided to a recipient for up to one (1) year after the recipient is no longer eligible to participate in the program due to employment earnings.

(2) Education or training resources available in the community at no additional cost to the ~~Department~~ Division of Workforce Services shall be used whenever possible.

(3) Transitional education or training shall be employment-related and may include education or training to improve a recipient's job skills in the recipient's existing area of employment or may include education or training to prepare a recipient for employment in another occupation.

(4) The ~~Department~~ Division of Workforce Services may enter into an agreement with an employer to share the costs relating to upgrading the skills of recipients hired by the employer.

(h) Other extended support services may be available to recipients no longer eligible for financial assistance under transitional employment assistance.

(i)(1) By August 1, 2001, the ~~Department~~ Division of Workforce Services shall develop a plan, subject to review and recommendation by the Arkansas Workforce Development Board, to monitor and protect the safety and well-being of the children within a family whose temporary assistance is terminated for any reason other than the family's successful transition to economic self-sufficiency.

(2)(A) Actions required by the plan shall include at least one (1) home visit with the parents and children.

(B) Every reasonable effort shall be made to make contact with all families, including visits during evenings and on weekends.

(C) The first home visit shall occur within six (6) months after the termination of cash assistance.

(D) The purposes of the home visits shall include checking on the well-being of children in those families and determining whether the families need available services.

(3) The ~~Department~~ Division of Workforce Services may contract with other state agencies, private companies, local government agencies, or

community organizations for the conducting of these visits.

(4) The board shall submit a report to the Governor and the Chair of the House Committee on Public Health, Welfare, and Labor and the Chair of the Senate Committee on Public Health, Welfare, and Labor that report on the outcomes of the home visits and provide separate information for families who left transitional assistance due to noncompliance and time limits.

(j) As part of the home visits, families shall be informed about the availability of Medicaid and ARKids First, food stamps, child care, housing assistance, any other supportive services offered by the ~~Department~~ Division of Workforce Services or the Department of Health designed to help meet the basic needs and well-being of children, federal and state earned income tax credits, individual development accounts, employment counseling services, and education and training opportunities designed to increase the future earnings and employment prospects of clients.

SECTION 405. Arkansas Code § 20-76-410(b) and (c), concerning transitional employment assistance and administrative sanctions, are amended to read as follows:

(b) The ~~Department~~ Division of Workforce Services may define by rule additional situations that require sanction, establish additional sanctions, and provide for administrative disqualification.

(c)(1) If a parent fails to comply with the Transitional Employment Assistance Program requirements, financial assistance for the child or children may be continued under subdivisions (a)(1)-(5) of this section, and the ~~department~~ division shall suspend the family's assistance for one (1) month.

(2)(A) During the thirty (30) days after suspension of benefits, the ~~department~~ division shall make strong efforts to arrange a face-to-face meeting with the parent, including a home visit to the family if necessary.

(B) In the face-to-face meeting, the ~~department~~ division shall explain:

(i) The reason that the family has been found to be noncompliant;

(ii) The penalty that will be imposed; and

(iii) The opportunity to correct that noncompliance

and avoid the penalty.

(C) The ~~department~~ division shall also seek to determine the well-being of the child or children and whether additional services or actions are required to protect the well-being of the child or children.

(D) If the parent comes into compliance within fifteen (15) business days after the face-to-face meeting and maintains compliance for two (2) weeks, the suspended benefits shall be paid to the family.

(3) If the parent fails to come into compliance during the period of suspended benefits, the family's financial assistance may be reduced by up to twenty-five percent (25%) for the next three (3) months if noncompliance continues.

(4) If the parent's noncompliance continues after the fourth month, the ~~department~~ division shall suspend the family's financial assistance for two (2) months.

(5)(A) During the thirty (30) days after suspension of benefits, the ~~department~~ division shall make strong efforts to arrange a face-to-face meeting with the parent, including a home visit to the family if necessary.

(B) In the face-to-face meeting, the ~~department~~ division shall explain:

(i) The reason that the family has been found to be noncompliant;

(ii) The penalty that will be imposed; and

(iii) The opportunity to correct that noncompliance and avoid the penalty.

(C) The ~~department~~ division shall also seek to determine the well-being of the child or children and whether additional services or actions are required to protect the well-being of the child or children.

(D) If the parent comes into compliance within fifteen (15) business days and maintains compliance for two (2) weeks, the suspended benefits shall be paid to the parent.

(E) If the parent fails to come into compliance during the second period of suspended benefits, the family's financial assistance may be reduced by up to fifty percent (50%) for the next three (3) months, if noncompliance continues.

(F) Months during which cash assistance benefits are suspended shall not count toward the family's twenty-four-month limit on

receiving Transitional Employment Assistance Program assistance.

(G) The Transitional Employment Assistance Program cash assistance case shall be closed if noncompliance continues after the end of the period under this subdivision (c)(5).

(6) The ~~department~~ division shall arrange a home visit with the family during the last month of the sanction to determine the well-being of the child or children and to determine whether additional services are required to protect the well-being of the child or children.

(7) Medicaid and food stamp benefits shall be continued without need for reapplication if the family is being sanctioned and for as long as the family remains eligible under the requirements of those programs.

(8) ~~Department~~ Division staff may contract with other state agencies, local coalitions, or appropriate community organizations to carry out the strong efforts to communicate with families facing sanction and to conduct the face-to-face meetings and home visits specified in this section.

(d) Beginning after July 27, 2011, the ~~department~~ division shall include in the comprehensive annual program report information on the families sanctioned and the outcomes of the home visits to the Governor and the House Committee on Public Health, Welfare, and Labor and the Senate Committee on Public Health, Welfare, and Labor.

(e) When appropriate, protective payees may be designated by the ~~department~~ division and may include:

(1) A relative or other individual who is interested in or concerned with the welfare of the child or children and agrees in writing to utilize the assistance in the best interests of the child or children;

(2) A member of the community affiliated with a religious, community, neighborhood, or charitable organization who agrees in writing to utilize the assistance in the best interests of the child or children; or

(3) A volunteer or member of an organization who agrees in writing to utilize the assistance in the best interests of the child or children.

(f)(1) If it is in the best interest of the child or children, as determined by the ~~department~~ division, for the staff member of a private agency, a public agency, the ~~department~~ division, or any other appropriate organization to serve as a protective payee, the designation may be made.

(2) However, a protective payee shall not be any individual

involved in determining eligibility for assistance for the family, staff handling any fiscal pressures related to the issuance of assistance, or landlords, grocers, or vendors of goods, services, or items dealing directly with the recipient.

SECTION 406. Arkansas Code § 20-76-437 is amended to read as follows:

20-76-437. Reporting – Transitional employment assistance.

The Department of Human Services, the ~~Department~~ Division of Workforce Services, the Department of Health, the Department of Education, the Department of Higher Education, the Department of Career Education, the Arkansas Development Finance Authority, the Arkansas Economic Development Council, and the Arkansas Department of Transportation shall report periodically to the House Committee on Public Health, Welfare, and Labor and Senate Committee on Public Health, Welfare, and Labor regarding the provision of services to Transitional Employment Assistance Program recipients.

SECTION 407. Arkansas Code § 20-76-438(b)(1)(A) and (B), concerning the purpose of public assistance, are amended to read as follows:

(A) Currently there are inefficiencies and duplication of effort on the part of the ~~Department~~ Division of Workforce Services and the Department of Human Services in the administration of the Transitional Employment Assistance Program; and

(B) A different division of responsibility for administration of the Transitional Employment Assistance Program by the ~~Department~~ Division of Workforce Services and the Department of Human Services may result in the more efficient and effective administration of the Transitional Employment Assistance Program.

SECTION 408. The introductory language of Arkansas Code § 20-76-438(b)(2) and (B), concerning the purpose of public assistance, are amended to read as follows:

(2) Therefore, it is in the public interest that the General Assembly authorize the ~~Department~~ Division of Workforce Services to:

SECTION 409. Arkansas Code § 20-76-443(a)(1), concerning education and training for Transitional Employment Assistance Program recipients, is

amended to read as follows:

(a)(1) The Department of Human Services and the ~~Department~~ Division of Workforce Services shall permit Transitional Employment Assistance Program recipients to obtain the education and training they need to obtain jobs that pay wages allowing them to be economically self-sufficient.

SECTION 410. Arkansas Code § 20-76-443(d)(2), concerning education and training for Transitional Employment Assistance Program recipients, is amended to read as follows:

(2) The ~~Department~~ Division of Workforce Services and the Arkansas Early Childhood Commission jointly shall promulgate rules to develop an evening childcare program with extended hours under subdivision (d)(1) of this section.

SECTION 411. Arkansas Code § 20-76-444(a)(2)(A), concerning the creation and duties of the Arkansas Work Pays Program, is amended to read as follows:

(2)(A) The Arkansas Work Pays Program shall be administered by the ~~Department~~ Division of Workforce Services.

SECTION 412. Arkansas Code § 20-76-444(c)(1), concerning the creation and duties of the Arkansas Work Pays Program, is amended to read as follows:

(2) The ~~department~~ division may set payment levels for families earning above the federal poverty level by rule to allow for a gradual reduction in payments as earnings rise toward one hundred fifty percent (150%) of the federal poverty level.

SECTION 413. The introductory language of Arkansas Code § 20-76-444(f), concerning the creation and duties of the Arkansas Work Pays Program, is amended to read as follows:

(f) The ~~Department~~ Division of Workforce Services shall administer a work incentive program that includes cash bonuses and other financial incentives to encourage:

SECTION 414. Arkansas Code § 20-76-444(g)(1), concerning the creation and duties of the Arkansas Work Pays Program, is amended to read as follows:

(g)(1) The ~~Department~~ Division of Workforce Services shall work with local workforce offices to develop and administer services to Arkansas Work Pays Program participants designed to help them move into higher-paying jobs available in their regions.

SECTION 415. The introductory language of Arkansas Code § 20-76-444(g)(3), concerning the creation and duties of the Arkansas Work Pays Program, is amended to read as follows:

(3) The ~~Department~~ Division of Workforce Services may make these services available to low-income workers who are not participating in the Arkansas Work Pays Program.

SECTION 416. Arkansas Code § 20-76-444(h)-(j), concerning the creation and duties of the Arkansas Work Pays Program, are amended to read as follows:

(h) The ~~Department~~ Division of Workforce Services may contract with the Department of Human Services for administrative services related to eligibility and payments.

(i) The ~~Department~~ Division of Workforce Services shall make arrangements with the Department of Human Services to facilitate participants' enrollment in the Arkansas Work Pays Program after they leave the Transitional Employment Assistance Program.

(j)(1) The ~~Department~~ Division of Workforce Services shall promulgate rules establishing the Arkansas Work Pays Program.

(2) The rules shall be subject to review and recommendation by the board.

SECTION 417. Arkansas Code § 20-76-445(b)(1)(A), concerning the Career Pathways Initiative, is amended to read as follows:

(b)(1)(A) The ~~Department~~ Division of Workforce Services, the Department of Higher Education, and the Arkansas Workforce Development Board shall work jointly to develop a plan for the Career Pathways Initiative.

SECTION 418. The introductory language of Arkansas Code § 20-76-445(d), concerning the Career Pathways Initiative, is amended to read as follows:

(d) Under the initiative, the ~~Department~~ Division of Higher Education

shall contract to provide education and training that will result in job training certificates or higher education degrees for Transitional Employment Assistance Program participants and other low-income adults with:

SECTION 419. Arkansas Code § 20-76-445(e)(2), concerning the Career Pathways Initiative, is amended to read as follows:

(2) Applications shall be made to the ~~Department~~ Division of Higher Education.

SECTION 420. Arkansas Code § 20-76-445(f), concerning the Career Pathways Initiative, is amended to read as follows:

(f) The ~~Department~~ Division of Higher Education shall determine which two-year college proposals are funded under the initiative.

SECTION 421. Arkansas Code § 20-76-446(a)(2), concerning the creation of the Community Investment Initiative, is amended to read as follows:

(2) The ~~Department~~ Division of Workforce Services shall develop the initiative.

SECTION 422. Arkansas Code § 20-76-446(b), concerning the creation of the Community Investment Initiative, is amended to read as follows:

(b) The ~~department~~ division shall contract with private or community organizations, including faith-based organizations, to offer services and support to parents, children, and youth in their communities.

SECTION 423. Arkansas Code § 20-76-446(d)(1), concerning the creation of the Community Investment Initiative, is amended to read as follows:

(d)(1) The ~~department~~ division shall authorize contracts with state agencies or community organizations to provide training and capacity building services to organizations eligible to apply for initiative funds.

SECTION 424. Arkansas Code § 20-76-702(4)(B), concerning definitions for the Drug Screening and Testing Act of 2015, is amended to read as follows:

(B) The Director of the ~~Department~~ Division of Workforce Services may add under the definition of subdivision (4)(A) of this section

additional drugs by rule;

SECTION 425. Arkansas Code § 20-76-702(6), concerning definitions for the Drug Screening and Testing Act of 2015, is amended to read as follows:

(6) "Drug testing agency" means an entity that has the required credentials as established by the ~~Department~~ Division of Workforce Services to administer drug tests using a person's urine, blood, or DNA that will detect and validate the presence of drugs in a person's body;

SECTION 426. Arkansas Code § 20-76-703(a)(1), concerning the administration of drug screening and testing program under the Temporary Assistance for Needy Families Program, is amended to read as follows:

(a)(1) Subject to state appropriation, the ~~Department~~ Division of Workforce Services, in coordination with the Department of Human Services, shall establish and administer a drug screening and testing program of suspicion-based drug screening and testing for each applicant who is otherwise eligible for the Temporary Assistance for Needy Families Program, § 20-76-101 et seq., or its successor program and for each recipient of the Temporary Assistance for Needy Families Program, § 20-76-101 et seq., or its successor program.

SECTION 427. The introductory language of Arkansas Code § 20-76-704(a), concerning the powers and duties of the Department of Workforce Services in the administration of a drug screening and testing program under the Temporary Assistance for Needy Families Program, is amended to read as follows:

(a) The ~~Department~~ Division of Workforce Services, in coordination with the Department of Human Services, shall:

SECTION 428. Arkansas Code § 20-76-704(a)(2), concerning the powers and duties of the Department of Workforce Services in the administration of a drug screening and testing program under the Temporary Assistance for Needy Families Program, is amended to read as follows:

(2) Develop appropriate screening techniques and processes to establish reasonable cause that an applicant or recipient is using a drug and to establish the necessary criteria to permit the ~~Department~~ Division of

Workforce Services, in coordination with the Department of Human Services, to require the applicant or recipient to undergo no less than a five-panel drug test;

SECTION 429. The introductory language of Arkansas Code § 20-76-704(b), concerning the powers and duties of the Department of Workforce Services in the administration of a drug screening and testing program under the Temporary Assistance for Needy Families Program, is amended to read as follows:

(b) Annually, the ~~Department~~ Division of Workforce Services, in coordination with the Department of Human Services, shall submit a report of the past calendar year on or before February 1 to the General Assembly that includes without limitation:

SECTION 430. Arkansas Code § 20-76-704(b)(8), concerning the powers and duties of the Department of Workforce Services in the administration of a drug screening and testing program under the Temporary Assistance for Needy Families Program, is amended to read as follows:

(8) The amount of costs incurred by the ~~department~~ division for the administration of the drug screening and testing program; and

SECTION 431. Arkansas Code § 20-76-705(1)(B), concerning standards in the drug screening and testing pilot program, is amended to read as follows:

(B) If the result of the drug screening tool gives the ~~Department~~ Division of Workforce Services a reasonable suspicion to believe that the applicant or recipient has engaged in the use of drugs, then the applicant or recipient shall be required to take a drug test.

SECTION 432. Arkansas Code § 20-76-705(2)(A) and (B), concerning standards in the drug screening and testing pilot program, are amended to read as follows:

(A) If an applicant or recipient receives a negative result on a drug test, the cost of administering the drug test shall be paid by the ~~department~~ division;

(B) If an applicant or recipient receives a positive result on a drug test, refuses to enter a treatment plan, and receives a

negative result on a drug test upon reapplying for benefits after six (6) months, the cost of administering the first drug test shall be deducted from his or her first program benefits, and the cost of administering the second drug test shall be paid by the ~~department~~ division;

SECTION 433. Arkansas Code § 20-76-705(3)(A), concerning standards in the drug screening and testing pilot program, are amended to read as follows:

(3)(A) A referral process for any applicant or recipient who receives a positive result on a drug test to be referred to an appropriate treatment resource for drug abuse treatment or other resource by the ~~department~~ division for an appropriate treatment period as determined by the ~~department~~ division.

SECTION 434. Arkansas Code § 20-76-705(5)(C), concerning standards in the drug screening and testing pilot program, are amended to read as follows:

(C) If an applicant or recipient who has failed a drug test reapplies for program benefits, the applicant or recipient shall test negative for illegal use of controlled substances in order to receive program benefits and the ~~department~~ division may provide a referral to an appropriate treatment resource for drug abuse treatment or other resource; and

SECTION 435. Arkansas Code § 20-76-706(a), concerning information regarding drug testing, is amended to read as follows:

(a) All information, interviews, reports, statements, memoranda, and drug test results, written or otherwise, received by the ~~Department~~ Division of Workforce Services as a part of the drug testing program under this subchapter shall be confidential and not subject to disclosure and may not be used or received in evidence, obtained in discovery, or disclosed in any public or private proceedings.

SECTION 436. Arkansas Code § 20-76-706(c)(1), concerning information regarding drug testing, is amended to read as follows:

(1) The ~~department~~ division or a drug testing agency conducting the drug test from having access to an adult applicant's or adult recipient's drug test information or using the information when consulting with legal counsel in connection with actions brought under or related to this

subchapter or when the information is relevant to its defense in a civil or administrative matter; or

SECTION 437. Arkansas Code § 20-76-708(a), concerning the rulemaking authority of the Director of the Department of Workforce Services, is amended to read as follows:

(a) The Director of the ~~Department~~ Division of Workforce Services, in coordination with the Department of Human Services, shall promulgate rules necessary for the implementation of this subchapter.

SECTION 438. The introductory language of Arkansas Code § 20-77-2002(a)(5)(B), concerning the administration of the ARKids First A and B programs, is amended to read as follows:

(B) To make the improvements required under subdivision (a)(1) of this section, the ~~department~~ division shall maximize the use of existing program databases to obtain information related to earned and unearned income for purposes of eligibility determination and renewals, including without limitation:

SECTION 439. Arkansas Code § 20-77-2002(a)(5)(B)(vi), concerning the administration of the ARKids First A and B programs, is amended to read as follows:

(vi) The ~~Department~~ Division of Workforce Services database.

SECTION 440. Arkansas Code § 20-86-105(a), concerning proposals for contracts with fiduciary organizations by the Division of Workforce Services, is amended to read as follows:

(a)(1) The ~~Department~~ Division of Workforce Services shall enter into contracts with one (1) or more fiduciary organizations pursuant to the provisions of this section in such a manner that different regions of the state are served by one (1) or more fiduciary organizations.

(2)(A) An organization based in this state which desires to enter into such a contract shall submit a proposal to the ~~department~~ division for the right to be approved as a fiduciary organization.

(B) Proposals shall be made upon forms prescribed by the

~~department~~ division and shall contain such information as the ~~department~~ division may require.

SECTION 441. The introductory language of Arkansas Code § 20-86-105(b), concerning proposals for contracts with fiduciary organizations by the Division of Workforce Services, is amended to read as follows:

(b) Organizations' proposals shall be evaluated and contracts awarded by the ~~department~~ division on the basis of such items as geographic diversity and an organization's:

SECTION 442. Arkansas Code § 20-86-106(a)(1), concerning an individual development account, is amended to read as follows:

(a)(1) An individual who is a resident of this state may submit an application to open an individual development account to a fiduciary organization approved by the ~~Department~~ Division of Workforce Services pursuant to the provisions of § 20-86-105.

SECTION 443. Arkansas Code § 20-86-109(d)(1)(B), concerning matching funds contributed to a fiduciary organization,, is amended to read as follows:

(B) The fiduciary organization shall then notify the ~~Department~~ Division of Workforce Services and request a certification from the ~~Department~~ Division of Workforce Services certifying the amount of the tax credit to which the taxpayer is entitled.

SECTION 444. Arkansas Code § 20-86-109(g), concerning matching funds contributed to a fiduciary organization,, is amended to read as follows:

(g) The ~~Department~~ Division of Workforce Services may monitor the use of these funds by fiduciary organizations.

SECTION 445. The introductory language of Arkansas Code § 20-86-111, concerning reporting requirements of fiduciary organizations, is amended to read as follows:

Each fiduciary organization shall provide quarterly to the ~~Department~~ Division of Workforce Services the following information:

SECTION 446. Arkansas Code § 20-86-112 is amended to read as follows:
20-86-112. Implementation.

The ~~Department~~ Division of Workforce Services shall be responsible for implementation of this subchapter and shall promulgate rules as necessary in accordance with the provisions of this subchapter.

SECTION 447. Arkansas Code § 20-86-113(a), concerning reports and recommendations of the Department of Workforce Services, is amended to read as follows:

(a) The ~~Department~~ Division of Workforce Services shall prepare a written report annually regarding the implementation of this act and shall make recommendations for improving the program.

SECTION 448. Arkansas Code § 21-5-218 is amended to read as follows:
21-5-218. Reimbursement for interpreter services for deaf.

Whereas the Arkansas Rehabilitation Services of the ~~Department of Career Education~~ Adult Education Section of the Division of Workforce Services currently purchases and sells staff interpreter services for the deaf with four (4) other agencies, the University of Arkansas at Fayetteville, the University of Arkansas at Little Rock, the Arkansas School for the Deaf, and the Administrative Office of the Courts and whereas the need for interpreters is immediate and often for crisis purposes and cannot be planned ahead, the ~~Department of Career Education~~ Adult Education Section of the Division of Workforce Services is authorized to arrange for reimbursement with those agencies, assuring that the amount paid from both agencies will not exceed the maximum for the grades they occupy consistent with the intent of § 19-4-1604, with notification and justification to the Chief Fiscal Officer of the State.

SECTION 449. Arkansas Code § 23-2-423(d), concerning the procedure for judicial review for orders of the Arkansas Public Service Commission, is amended to read as follows:

(d) The Court of Appeals, on review, shall advance commission cases as matters of public interest over all other civil cases except child custody cases, and appeals under the Workers' Compensation Law, § 11-9-101 et seq., and the ~~Department~~ Division of Workforce Services Law, § 11-10-101 et seq.

SECTION 450. Arkansas Code § 23-35-201 is amended to read as follows:

23-35-201. Credit Union Division – State Credit Union Supervisor – Staff.

There is created under the State Securities Department a Credit Union Division which shall be administered by the State Credit Union Supervisor. The Securities Commissioner, with the approval of the Secretary of the Department of Commerce, shall act as State Credit Union Supervisor. The supervisor, with the approval of the Secretary of the Department of Commerce, shall appoint such ~~assistants, secretaries,~~ administrative assistants and examiners as may be necessary to assist in the performance of his or her duties under this chapter.

SECTION 451. Arkansas Code § 23-37-206 is amended to read as follows:

23-37-206. Division of Savings and Loan Associations – Supervisor – Staff.

(a) There is created a Division of Savings and Loan Associations of the State Securities Department which shall be administered by the Supervisor of Savings and Loan Associations.

(b)(1) The Securities Commissioner, with the approval of the Secretary of the Department of Commerce, shall act as Supervisor of Savings and Loan Associations. He or she may appoint an assistant securities commissioner responsible for financial institutions to act as the Assistant Supervisor of Savings and Loan Associations and perform all duties delegated by the commissioner.

(2) The supervisor, with the approval of the Secretary of the Department of Commerce, shall appoint any other assistants, secretaries, and examiners who may be necessary to assist in the performance of his or her duties under this chapter.

SECTION 452. Arkansas Code § 23-39-512(b)(2)(A), concerning exceptions to the public inspection of the records of the State Securities Department, is amended to read as follows:

(A) Generally, records that reflect discussions between or consideration by the commissioner or members of ~~his or her~~ the staff of the State Securities Department or the staff of the Department of Commerce

working for the State Securities Department, or both, of any action taken or proposed to be taken by the commissioner or by any members of ~~his or her~~ the staff of the State Securities Department or the staff of the Department of Commerce working for the State Securities Department; and

SECTION 453. Arkansas Code § 23-39-512(b)(3)(A) and (B), concerning exceptions to the public inspection of the records of the State Securities Department, are amended to read as follows:

(A) Information concerning all employees of the State Securities Department or the Department of Commerce working for the State Securities Department and information concerning persons subject to regulation by the department; and

(B) Personal information about employees of mortgage brokers, mortgage bankers, mortgage servicers, or loan officers reported to the commissioner under the ~~department's~~ State Securities Department rules concerning registration of those persons;

SECTION 454. Arkansas Code § 23-42-201 is amended to read as follows:

23-42-201. Administration by Securities Commissioner – Conflicts of interest.

(a)(1) This chapter shall be administered by the Securities Commissioner, who shall be appointed by the Governor and who shall serve at the pleasure of the Governor

(2) The commissioner shall report to the Secretary of the Department of Commerce.

(b)(1) There is created within the Department of commerce the State Securities Department.

(2) The State Securities Department shall have all the powers and duties assigned pursuant to Acts 1983, No. 691 and all subsequent delegations of authority.

~~(b)(c)~~ (c) No person shall serve in the State Securities Department or in the Department of Commerce working for the State Securities Department in any capacity who engages in any activities regulated under the provisions of this chapter.

SECTION 455. Arkansas Code § 23-42-203 is amended to read as follows:

23-42-203. Confidentiality of information or proceedings generally.

(a) It is unlawful for the Securities Commissioner or any of ~~his or her~~ the officers or employees of the State Securities Department or officers or employees of the Department of Commerce working for the State Securities Department to use for personal benefit any information which is filed with or obtained by the commissioner and which is not made public.

(b) Neither the commissioner nor any of ~~his or her~~ the officers or employees of the State Securities Department or officers or employees of the Department of Commerce working for the State Securities Department shall disclose the information except among themselves or when necessary or appropriate in a proceeding or investigation under this chapter or in any judicial proceedings when the information is not privileged.

(c) No provision of this chapter either creates or derogates from any privilege which exists at common law or otherwise when documentary or other evidence is sought under a subpoena directed to the commissioner or any of his or her officers or employees.

(d) Nothing herein shall prevent the commissioner or any officers or employees of the State Securities Department or officers or employees of the Department of Commerce working for the State Securities Department from sharing with state or federal law enforcement authorities, other state or federal regulatory authorities, or self-regulatory organizations authorized by law any information which they may have or obtain in aid of the enforcement of this chapter or any other securities act or the criminal provisions of any laws.

(e) The commissioner, in his or her discretion, shall determine when an administrative proceeding shall be public.

SECTION 456. Arkansas Code § 23-42-207(b)(3), concerning exceptions to the public inspection of records filed with the Securities Commissioner, is amended to read as follows:

(3) Personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy, including those concerning ~~all~~ employees of the State Securities Department or employees of the Department of Commerce working for the State Securities Department and those concerning persons subject to regulation by employees of broker-dealers reported to the commissioner pursuant to the ~~department's~~

State Securities Department's rules concerning registration of broker-dealers and agents;

SECTION 457. Arkansas Code § 23-46-201 is amended to read as follows:

23-46-201. Creation.

There is created and established, at the seat of government of this state, a department to be known as the State Bank Department. The State Bank Department shall be a division of the Department of Commerce.

SECTION 458. Arkansas Code § 23-46-202 is repealed.

~~23-46-202. Offices.~~

~~(a) The State Bank Department may own, acquire, construct, reconstruct, extend, equip, improve, maintain, operate, lease, contract concerning, or otherwise deal in and with any lands, improvements, buildings, furniture, furnishings, machinery, and personal property of any and every nature whatever, that can be used by the department for suitable offices for the business of the department, with the necessary conveniences for the transaction of business and the safekeeping of the records of the department.~~

~~(b) The State Bank Department is authorized and empowered to obtain the necessary funds to accomplish the purposes stated in subsection (a) of this section from any source or sources necessary, including without limitation contracting with the Building Authority Division of the Department of Finance and Administration or the Arkansas Development Finance Authority to provide for the issuance of bonds under the State Agencies Facilities Acquisition Act of 1991, § 22-3-1401 et seq., or the Arkansas Development Finance Authority Act, § 15-5-101 et seq., § 15-5-201 et seq., and § 15-5-301 et seq.~~

~~(c)(1) Bonds and interest on the bonds issued under this section shall be payable solely from and secured by a pledge of the fees and revenues deposited into an account designated as the State Bank Department Building Fund in accordance with § 23-46-209(a).~~

~~(2) The pledged fees and revenues are specifically declared to be cash funds, restricted in their use, and dedicated solely for the purposes set forth in this subchapter.~~

~~(3) The Arkansas Development Finance Authority is authorized and empowered to make a pledge of the fees and revenues in the resolution~~

~~authorizing the issuance of the bonds under this section.~~

SECTION 459. Arkansas Code § 23-46-204 is amended to read as follows:
23-46-204. Bank Commissioner – Appointment and removal.

(a) The Governor, by and with the advice and consent of the Senate, shall appoint a Bank Commissioner who shall:

- (1) Be a resident of this state;
- (2) Be at least thirty (30) years of age; and
- (3) Have not less than five (5) years' experience either in

practical banking or in the bank department of a state.

(b) The commissioner shall be the head of the State Bank Department and shall hold his or her office for the term of four (4) years beginning from the date of actual appointment by the Governor and expiring four (4) years from that date and until a successor is appointed.

(c) The commissioner may be removed by the Governor from office for neglect of duty, malfeasance, misfeasance, extortion or corruption in office, incompetency, or mental or physical disability to such an extreme as to render the commissioner unable or unfit for the discharge of his or her duties, or for any offense involving moral turpitude while in office committed under color of or connected with such an office.

(d) In the event there shall be an inability to serve in the office caused by death, suspension, removal, disability, disqualification, or resignation of the commissioner, a deputy commissioner previously designated by the commissioner shall exercise the powers and perform the duties of the commissioner until a successor is appointed by the Governor, with the advice and consent of the Senate, who shall serve for the remainder of the unexpired term fixed by law.

(e) The commissioner shall report to the Secretary of the Department of Commerce.

SECTION 460. Arkansas Code § 23-46-205(d)(10), concerning the powers and duties of the Bank Commissioner, is amended to read as follows:

(10)(A) Perform preemployment state criminal background checks through the ~~Department~~ Division of Arkansas State Police and preemployment federal criminal background checks through the Federal Bureau of Investigation on all applicants selected for employment as examiners with the

State Bank Department.

(B) The federal background check shall include taking fingerprints of the applicant.

(C) The applicant shall sign a release authorizing the ~~Department~~ Division of Arkansas State Police and the Federal Bureau of Investigation to disclose criminal history information about the applicant to the State Bank Department.

(D) The commissioner shall treat the information as confidential and shall disclose the information only to the applicant; and

SECTION 461. Arkansas Code § 23-46-206 is amended to read as follows:
23-46-206. Employment and duties of staff generally.

(a)(1) The Bank Commissioner, in consultation with the Secretary of the Department of Commerce, shall employ from time to time the assistants, examiners, clerks, stenographers, counsel, and other personnel as he or she may find necessary to properly and efficiently discharge the duties of his or her office.

(2) The commissioner shall be authorized to set minimum qualifications for these persons and to fix their levels of compensation within the limitations of the numbers of employees and the appropriations for their salaries as provided from time to time by acts of the General Assembly, provided he or she shall incur no expense until an appropriation shall have been made therefor nor in excess of the revenues of the State Bank Department.

(b) Counsel employed by the commissioner shall advise the commissioner in all legal matters affecting the ~~department~~ State Bank Department.

(c) Notwithstanding any other provisions of state law, and in order to maintain the confidentiality of information and the security of ~~department~~ State Bank Department personnel in the performance of their duties, the commissioner shall be authorized to establish travel reimbursement guidelines for payment of expenses of ~~department~~ State Bank Department personnel incurred in the performance of their duties.

(d) If the commissioner is not himself or herself at any time available for the transaction of any specific matter committed by law to his or her authority or discretion, any one of the deputy commissioners, or any other staff member so designated by the commissioner in writing, may transact

such matter in the name and stead of the commissioner.

(e)(1) The commissioner, each member of the State Banking Board, the deputy commissioners, chief examiners, counsel, each examiner, each accountant, each attorney, and each other officer, person, or employee, or both, of or for the ~~department~~ State Bank Department shall not be personally liable for damages occasioned by his or her official acts or omissions, except when the acts or omissions are corrupt and malicious.

(2) The Attorney General shall defend any action brought against any of the above-mentioned persons by reason of his or her official acts or omissions, regardless of whether at the time of institution of the action the defendant has terminated his or her service with the ~~department~~ State Bank Department.

SECTION 462. Arkansas Code § 23-46-207(a)(1), concerning prohibited interests in financial institutions, is amended to read as follows:

(a)(1) No employee or officer of the State Bank Department, or employee or officer of the Department of Commerce working within the State Bank Department, who participates in the examination of a financial institution, or who may be called upon to make an official decision or determination affecting the operation of a financial institution, shall be an officer, director, attorney, owner, or holder of stock in any state bank, registered out-of-state bank, or bank holding company which controls a state bank or a registered out-of-state bank, or receive, directly or indirectly, any payment or gratuity from any such organizations.

SECTION 463. Arkansas Code § 23-46-208 is repealed.

~~23-46-208. Employee bonds.~~

~~(a) All employees shall be required to furnish bonds in such amounts as the Bank Commissioner shall deem sufficient to cover the liabilities of their respective positions, which bonds may be made by any guaranty company authorized to do business in this state.~~

~~(b)(1) The fees paid by any officer or employee of the State Bank Department to any guaranty or bonding company for a fidelity bond shall be considered and charged as expenses of the department.~~

~~(2) However, the expense of any fidelity bond written on a special deputy commissioner appointed as special liquidating agent for an~~

~~insolvent state bank or subsidiary trust company shall be paid out of the assets of the insolvent state bank or subsidiary trust company.~~

~~(c) No expense shall be incurred until an appropriation shall be made for such a purpose, and in no case shall any liability be created for the state in excess of the appropriation therefor.~~

SECTION 464. Arkansas Code § 23-46-209 is amended to read as follows:
23-46-209. Records and financial reports – Disposition of funds.

~~(a)(1) The Bank Commissioner shall keep a true and perfect record of all of the business of the State Bank Department and shall make monthly reports to the Auditor of State of all fees he or she collects.~~

~~(2)(A) From the fees or other revenues collected, the commissioner:~~

~~(i) Shall deposit directly into the State Bank Department Building Fund the amount due, if any, for the annual rental under any lease or annual principal and interest payments under any bonds related to the acquisition of any properties under § 23-46-202; and~~

~~(ii) May deposit directly into the State Bank Department Building Fund an additional annual amount not to exceed ten percent (10%) of the original principal amount of any bonds related to the acquisition of any properties under § 23-46-202.~~

~~(B) The commissioner shall make the payments under this subdivision (a)(2) from the moneys received by the department prior to the payment of any of the moneys into the State Treasury.~~

~~(C) Upon the discharge of all bonds and leases authorized by § 23-46-202, the commissioner shall deposit into the State Bank Department Building Fund an amount deemed necessary by the commissioner for the operation and maintenance of the department's properties and the establishment and maintenance of appropriate reserves for the repair and replacement of the properties acquired under § 23-46-202.~~

~~(D) All fees collected by the commissioner required for the payments under this subdivision (a)(2) are specifically declared to be cash funds and may be collected and deposited into banks and depositories selected by the commissioner.~~

~~(3) The commissioner shall promptly pay to the Treasurer of State all fees not necessary for the payments required by subdivision (a)(2)~~

~~of this section, taking duplicate receipts therefor, one (1) of which shall be filed with the Auditor of State.~~

(b) All fees and other revenues received by the department ~~not necessary for the payments required by subdivision (a)(2) of this section~~ shall be deposited into the State Treasury as special revenues and credited to the Bank Department Fund to be used solely for the payment of the expenses of the department pursuant to the appropriations therefor.

(c) Upon proper voucher from the commissioner, the Auditor of State shall issue the Auditor of State's warrant on the Treasurer of State in payment of all salaries and other expenses incurred in the administration of the Arkansas Banking Code of 1997.

SECTION 465. Arkansas Code § 23-46-210 is amended to read as follows:

23-46-210. Annual and biennial reports of Bank Commissioner.

(a) The Bank Commissioner shall make an annual report to the ~~Governor~~ Secretary of the Department of Commerce of the work and the business of the State Bank Department, which shall embrace a statement of all receipts and expenditures and the name, officers, directors, domicile, capital, surplus, net profits, and deposits of each state bank, in the state, and such other information as the commissioner deems advisable.

(b) ~~He or she~~ The commissioner shall also, biennially, make a detailed estimate of the expenses of the ~~department~~ State Bank Department for the two (2) succeeding fiscal years.

SECTION 466. Arkansas Code § 23-46-303 is amended to read as follows:

23-46-303. Study of banking statutes.

The State Banking Board is authorized, at such times as it deems appropriate, to request a review or study of state banking law and to recommend any changes that it may deem appropriate to the ~~Governor~~ Secretary of the Department of Commerce.

SECTION 467. Arkansas Code § 23-55-607(b)(2)(A), concerning confidentiality under the Uniform Money Services Act, is amended to read as follows:

(A) Records that reflect discussions between or consideration by the commissioner or members of ~~his or her staff~~ the staff of

the State Securities Department or the staff of the Department of Commerce working for the State Securities Department, or both, of any action taken or proposed to be taken by the commissioner or by any members of ~~his or her staff~~ the staff of the State Securities Department of the staff of the Department of Commerce working for the State Securities Department; and

SECTION 468. Arkansas Code § 23-55-607(b)(3)(A), concerning confidentiality under the Uniform Money Services Act, is amended to read as follows:

(A) Information concerning ~~all~~ employees of the State Securities Department or employees of the Department of Commerce working for the State Securities Department and all persons subject to regulation by the department; and

SECTION 469. Arkansas Code § 23-61-101 is amended to read as follows:

23-61-101. State Insurance Department – Continuation – Assignment of space.

(a) There is continued at the seat of government of this state an office or department designated as the State Insurance Department.

(b) Suitable space shall be assigned for the use of the ~~department~~ State Insurance Department.

(c)(1)(A) The purpose of the ~~department~~ State Insurance Department is to serve and protect the public interest by the equitable enforcement of the state's laws and regulations affecting the insurance industry.

(B) The primary mission of the ~~department~~ State Insurance Department shall be consumer protection through insurer solvency and market conduct regulation, and fraud prosecution and deterrence.

(2) Nothing in this subsection shall be construed to limit the Insurance Commissioner's authority as enumerated in other provisions of the Arkansas Insurance Code.

(d) The State Insurance Department is a division of the Department of Commerce.

SECTION 470. Arkansas Code § 23-61-102(a) and (b), concerning the Insurance Commissioner, are amended to read as follows:

(a) The head of the State Insurance Department shall be an Insurance

Commissioner appointed by the Governor with the advice and consent of the Senate. No person shall be eligible for appointment as commissioner unless a citizen of this state and at least thirty (30) years of age.

(b) The commissioner shall serve at the pleasure of the Governor and shall report to the Secretary of the Department of Commerce.

SECTION 471. Arkansas Code § 23-61-102(e)(2), concerning the Insurance Commissioner, is amended to read as follows:

(2) The form and surety of the bond shall be subject to the approval of the ~~Governor~~ Secretary of the Department of Commerce and the Auditor of State.

SECTION 472. Arkansas Code § 23-61-104 is amended to read as follows:

23-61-104. Deputies, assistants, and other employees – Appointment – Duties.

(a) The Insurance Commissioner, with the approval of the Secretary of the Department of Commerce, may appoint such assistants and deputies and such examiners, attorneys, clerks, stenographers, and other personnel as may be necessary to assist him or her in the discharge of the duties imposed upon him or her under the Arkansas Insurance Code and as may be authorized by law. All such personnel shall devote their entire business time to their duties in the State Insurance Department.

(b) The commissioner, with the approval of the Secretary of the Department of Commerce, may employ an actuary on a consulting or full-time basis to perform such duties as the commissioner may designate.

(c) The commissioner, with the approval of the Secretary of the Department of Commerce, may at any time terminate the appointment, designation, or employment of any assistant, deputy, examiner, attorney, actuary, clerk, or other employee.

(d) The compensation for all such personnel so appointed or employed shall be as fixed by law.

(e) The commissioner, with the approval of the Secretary of the Department of Commerce, may contract for and procure on a basis of fee such independently contracting examination, actuarial, technical, and other professional services as he or she may from time to time require for the discharge of his or her duties.

SECTION 473. Arkansas Code § 23-61-105 is amended to read as follows:

23-61-105. Commissioner, deputies, assistants, and other employees – Expense allowance.

(a) In addition to compensation for their services, the Insurance Commissioner, his or her deputies, assistants, and other Department of Commerce employees performing duties or working within the State Insurance Department shall be paid their actual and necessary expenses as authorized by the commissioner and incurred by them in the performance of their duties, subject to such limitations as may be otherwise applicable pursuant to law.

(b) An itemized statement of all expenses for which payment is being claimed shall be certified by the claimant and attached to the expense voucher.

SECTION 474. Arkansas Code § 23-61-106 is amended to read as follows:

23-61-106. Commissioner, deputies, assistants, and other employees – Financial interest prohibited – Exception.

(a) The Insurance Commissioner or any deputy, examiner, assistant, or employee of the commissioner, or any employee of the Department of Commerce working for the State Insurance Department shall not be financially interested, directly or indirectly, in any insurer, insurance agency, or insurance transaction, except as:

(1) A policyholder or claimant under a policy;

(2) A grantor of a mortgage or similar instrument on the person's residence to an entity regulated under the Arkansas Insurance Code if done under customary terms and in the ordinary course of business; or

(3) A settlor or beneficiary of a blind trust into which any otherwise impermissible holdings have been placed, provided that the commissioner may make reasonable exceptions upon full and complete written disclosure to the commissioner of the exact nature and extent of the otherwise impermissible financial interest and adhering to any and all reasonable restrictions as the commissioner may impose upon the terms and conditions of employment.

(b) Notwithstanding the requirements of subsection (a) of this section, the commissioner may employ or retain, from time to time, insurance actuaries, technicians, or other professional personnel who are independently

practicing their professions even though similarly employed or retained by insurers or others.

(c) The commissioner, ~~or~~ any assistant, deputy, examiner, or other employee of the commissioner, or any employee of the Department of Commerce working for the State Insurance Department, shall not be given nor receive any fee, compensation, loan, gift, or other thing of value in addition to the compensation and expense allowance provided pursuant to law for any service rendered or to be rendered as commissioner, deputy, examiner, or employee, or in connection therewith.

SECTION 475. Arkansas Code § 23-16-108(a)(1), concerning the rules and regulations to effectuate the Arkansas Insurance Code, is amended to read as follows:

(a)(1) The Insurance Commissioner, with the approval of the Secretary of the Department of Commerce, may make reasonable rules and regulations necessary for or as an aid to the effectuation of any provision of the Arkansas Insurance Code.

SECTION 476. Arkansas Code § 23-16-108(b)(1), concerning the rules and regulations to effectuate the Arkansas Insurance Code, is amended to read as follows:

(b)(1) The commissioner, with the approval of the Secretary of the Department of Commerce, shall have the authority to promulgate rules and regulations necessary for the effective regulation of the business of insurance or as required for this state to be in compliance with federal laws.

SECTION 477. Arkansas Code § 23-61-112(a), concerning the annual report of the Insurance Commissioner, is amended to read as follows:

(a) As early in the calendar year as reasonably possible, the Insurance Commissioner annually shall prepare and deliver a report to the ~~Governor~~ Secretary of the Department of Commerce showing, with respect to the preceding calendar year:

(1) Names of the authorized insurers transacting insurance in this state, with a summary of their financial statements that the commissioner considers proper;

(2) Names of admitted insurers that closed during the year or entered liquidation, a concise statement concerning the cause for each proceeding, and the amount of assets and liabilities as ascertainable;

(3) The total receipts and expenses of the State Insurance Department for the year; and

(4) Other pertinent information and matters the commissioner considers proper.

SECTION 478. Arkansas Code § 23-61-116 is amended to read as follows:
23-61-116. Annual report on health insurance fraud.

Annually on or before March 1, the Insurance Commissioner shall submit to the ~~Governor~~ Secretary of the Department of Commerce, the President Pro Tempore of the Senate, the Speaker of the House of Representatives, and the Attorney General a report summarizing the State Insurance Department's activities to investigate and combat health insurance fraud, including without limitation information regarding:

(1) Referrals received;

(2) Investigations initiated;

(3) Investigations completed; and

(4) Other material necessary or desirable to evaluate the department's efforts under this section.

SECTION 479. Arkansas Code § 23-61-1004(c), concerning the administration of the Arkansas Works Program, is amended to read as follows:

(c) The Department of Human Services, the State Insurance Department, the ~~Department~~ Division of Workforce Services, and other necessary state agencies shall promulgate and administer rules to implement the Arkansas Works Program.

SECTION 480. The introductory language of Arkansas Code § 23-61-1004(g)(1), concerning the administration of the Arkansas Works Program, is amended to read as follows:

(g)(1) On a quarterly basis, the Department of Human Services, the State Insurance Department, the ~~Department~~ Division of Workforce Services, and other necessary state agencies shall report to the Legislative Council, or to the Joint Budget Committee if the General Assembly is in session,

available information regarding the overall Arkansas Works Program, including without limitation:

SECTION 481. The introductory language of Arkansas Code § 23-61-1005(b)(1), concerning requirements for eligible individuals, is amended to read as follows:

(b)(1) An eligible individual who has up to fifty percent (50%) of the federal poverty level at the time of an eligibility determination shall be referred to the ~~Department~~ Division of Workforce Services to:

SECTION 482. Arkansas Code § 23-61-1005(b)(2), concerning requirements for eligible individuals, is amended to read as follows:

(2) The Department of Human Services or its designee shall provide work training opportunities, outreach, and education about work and work training opportunities through the ~~Department~~ Division of Workforce Services to all eligible individuals regardless of income at the time of an eligibility determination.

SECTION 483. Arkansas Code § 23-61-1103(c)-(e), concerning the powers and duties of the State Board of Embalmers, Funeral Directors, Cemeteries, and Burial Services, are amended to read as follows:

(c)(1) The commissioner, with the approval of the Secretary of the Department of Commerce, may appoint assistants and deputies and examiners, inspectors, attorneys, clerks, stenographers, and other personnel as may be necessary to assist him or her in the discharge of the duties imposed upon him or her in overseeing the board.

(2) Personnel under subdivision (c)(1) of this section shall devote their entire business time to carrying out official duties concerning the board, or if appropriate, the State Insurance Department.

(d) The powers and authority under subsection (a) of this section shall not be in diminution or limitation of the powers and authority vested in the board by the various sections of this subchapter, but the board shall possess all powers and authority, whether set forth in this section or not, to enable it to carry out the intent and purpose of this subchapter.

(e)(1) The board, when it shall deem necessary, shall be represented by the ~~department~~ State Insurance Department.

(2)(A) If deemed necessary by the board, the board may employ special counsel whose services shall be paid for from funds of the board.

(B) Special counsel shall be retained only with the prior approval of the commissioner.

SECTION 484. Arkansas Code § 23-61-1104(a)(1), concerning the Executive Secretary of the State Board of Embalmers, Funeral Directors, Cemeteries, and Burial Services, is amended to read as follows:

(a)(1) The Insurance Commissioner, with the approval of the Secretary of the Department of Commerce, may appoint and employ a person as the Executive Secretary of the State Board of Embalmers, Funeral Directors, Cemeteries, and Burial Services who shall serve at the pleasure of the commissioner.

SECTION 485. Arkansas Code § 23-61-1106(a)(1), concerning the Inspector of the State Board of Embalmers, Funeral Directors, Cemeteries, and Burial Services and funeral directing, embalming, cremating, or transferring human remains, is amended to read as follows:

(a)(1) The Insurance Commissioner may ~~appoint~~ request that the Department of Commerce employ an agent or agents as Inspector of the State Board of Embalmers, Funeral Directors, Cemeteries, and Burial Services.

SECTION 486. Arkansas Code § 23-92-403(f), concerning the relationship of the Arkansas Professional Employer Organization Recognition and Licensing Act to other laws, is amended to read as follows:

(f)(1) Applicants for licensing or a professional employer organization licensed under this subchapter authorize the ~~Department~~ Division of Workforce Services, the Workers' Compensation Commission, and the State Insurance Department, or their successors, to release otherwise confidential information to the other departments or commission in this subdivision (f)(1) concerning the applicant or professional employer organization upon the written request by the requesting department or commission.

(2) The ~~Department~~ Division of Workforce Services, the Workers' Compensation Commission, and the State Insurance Department shall maintain the confidentiality of information received under subdivision (f)(1) of this section unless the information is introduced into evidence at an

administrative proceeding or at a civil or criminal trial arising out of a violation of this subchapter that involves the applicant, the professional employer organization, or the controlling person.

SECTION 487. Arkansas Code § 23-92-403(g)(2)(A), concerning the relationship of the Arkansas Professional Employer Organization Recognition and Licensing Act to other laws, is amended to read as follows:

(A) Section 11-2-101 et seq., § 11-3-101 et seq., § 11-4-101 et seq., § 11-5-101 et seq., § 11-6-101 et seq., § 11-7-201 et seq., the ~~Department~~ Division of Workforce Services Law, § 11-10-101 et seq., and § 11-12-101 et seq.;

SECTION 488. Arkansas Code § 23-92-404(d)(3)(B)(ii)(d), concerning licensing and renewal under the Arkansas Professional Employer Organization Recognition and Licensing Act, is amended to read as follows:

(d) The commissioner shall provide a copy of the order entered under subdivision (d)(3)(B)(ii)(a) of this section to the Workers' Compensation Commission and the ~~Department~~ Division of Workforce Services or their successors.

SECTION 489. Arkansas Code § 23-92-409(j)(2), concerning the coemployment relationship between the client and the professional employer organization and each coemployer governed by a professional employer agreement, is amended to read as follows:

(j) A licensed professional employer organization shall be deemed an employer of the covered employees and shall perform the following employer responsibilities in conformity with all applicable federal and state laws and regulations to:

(2) Pay unemployment taxes as required by the ~~Department~~ Division of Workforce Services Law, § 11-10-101 et seq.;

SECTION 490. Arkansas Code § 23-92-413(b), concerning nondisclosure of proprietary information, is amended to read as follows:

(b) Notwithstanding subsection (a) of this section or any other law governing disclosure of confidential information, the commissioner, the Director of the ~~Department~~ Division of Workforce Services, and the Workers'

Compensation Commission may exchange information among themselves for the purposes of regulating professional employer organizations.

SECTION 491. Arkansas Code § 23-98-108(e), concerning payroll deduction and a notice of minimum basic benefit policies, is amended to read as follows:

(e) Upon request by the commissioner, the ~~Department~~ Division of Workforce Services is authorized to provide a copy of the form of notice prepared by the commissioner to employers as the commissioner and the ~~department~~ division may agree upon.

SECTION 492. Arkansas Code § 25-1-104 is amended to read as follows:

25-1-104. Access of Department of Finance and Administration to agency records.

The Revenue Division of the Department of Finance and Administration, the ~~Department~~ Division of Workforce Services, the University of Arkansas at Little Rock, the University of Arkansas at Fayetteville, the Arkansas Economic Development Commission, and any other state agency, board, commission, department, institution, college, university, or authority shall make data, information, statistics, or other records of information available to the Department of Finance and Administration. Provided, however, that such information and records shall not identify persons, people, conglomerates, corporations, monopolies, or others that would from any published data or data within the possession of the office of the Director of the Department of Finance and Administration reveal the identity or any information or data of that particular identity that would be in conflict with federal laws.

SECTION 493. Arkansas Code § 25-3-104(a), concerning the creation of the Arkansas Natural and Cultural Heritage Advisory Committee, is amended to read as follows:

(a) There is established an Arkansas Natural and Cultural Heritage Advisory Committee whose members shall consist of:

(1) The Director of the ~~Department~~ Division of Arkansas Heritage;

(2) The ~~Executive~~ Director of the Arkansas Economic Development Commission;

- (3) The Director of State Highways and Transportation;
- (4) The ~~Director~~ Secretary of the Department of Health;
- (5) The Director of the ~~Department~~ Division of Parks and Tourism;
- (6) The Director of the Arkansas State Game and Fish Commission;
- (7) A person appointed by the Governor;
- (8) A person appointed by the President Pro Tempore of the Senate; and
- (9) A person appointed by the Speaker of the House of Representatives.

SECTION 494. The introductory language of Arkansas Code § 25-8-110(6)(A), concerning additional duties of the Department of Finance and Administration, is amended to read as follows:

(6)(A) With assistance from the ~~Department~~ Division of Workforce Services, establish and maintain a web page to:

SECTION 495. Arkansas Code § 25-8-110(6)(B)(ii), concerning additional duties of the Department of Finance and Administration, is amended to read as follows:

(ii) Unemployment and new hire submissions administered by the ~~Department~~ Division of Workforce Services; and

SECTION 496. Arkansas Code § 25-10-205(h), concerning the creation of the Board of the Division of State Services for the Blind, is amended to read as follows:

(h) The board, in consultation with the Secretary of the Department of Commerce, shall employ a commissioner, subject to the approval of the Governor, qualified by experience to administer and implement the policies and directives of the board. ~~The board may employ or appoint any additional personnel necessary to carry out the functions, duties, and responsibilities entrusted to the Division of State Services for the Blind in accordance with the requirements of law and within the limits of available appropriations.~~

SECTION 497. Arkansas Code § 25-10-206 is amended to read as follows:
25-10-206. Legal counsel.

The Division of State Services for the Blind within the Department of ~~Human Services~~ Commerce or any employees or committees thereof shall be entitled to the services of the Attorney General in connection with the operation of the affairs of the division.

SECTION 498. Arkansas Code § 25-10-207 is amended to read as follows:

25-10-207. Division of State Services for the Blind Fund.

Any sums provided by the General Assembly for the purposes of this subchapter shall be kept by the Treasurer of State in a fund to be designated as the ~~State Services for the Blind Fund Account of the Department of Human Services Fund~~ "State Services for the Blind Fund Account of the Department of Commerce Fund" and shall be used to carry out the particular purposes assigned to it in this subchapter.

SECTION 499. Arkansas Code § 25-10-208 is amended to read as follows:

25-10-208. State services for the blind – Supplemental insurance.

Staff members who transport blind and visually impaired persons on official state business of the Division of State Services for the Blind within the Department of ~~Human Services~~ Commerce are entitled to reimbursement for supplemental insurance costs. Costs incurred for supplemental liability automobile insurance above the minimum required by law for the purpose of including coverage for work-related activities shall be reimbursed through standard travel procedures annually, not to exceed fifty dollars (\$50.00) per year.

SECTION 500. Arkansas Code § 25-10-209(a), concerning the creation of Information Reading Services for the Blind, is amended to read as follows:

(a) ~~The~~ Information Reading Services for the Blind is created within the Division of State Services for the Blind of the Department of ~~Human Services~~ Commerce.

SECTION 501. Arkansas Code § 25-10-209(d), concerning the creation of Information Reading Services for the Blind, is amended to read as follows:

(d) The Director of the Division of State Services for the Blind of the Department of ~~Human Services~~ Commerce shall consult at least annually with active consumers of Information Reading Services for the Blind,

including participating state agencies, in the design, improvement, and delivery of the services.

SECTION 502. Arkansas Code § 25-11-101 is amended to read as follows:

25-11-101. Creation – Director – Organization – Personnel.

(a) There is created the Arkansas Economic Development Commission.

(b)(1) The executive head of the commission shall be the Director of the Arkansas Economic Development Commission. The director shall be appointed by the Governor, with the advice of the Arkansas Economic Development Council and the consent of the Senate, and shall serve at the pleasure of the Governor.

(2) The director shall report to the Secretary of the Department of Commerce.

(c) The commission shall consist of the divisions that may be necessary to fulfill its purposes and that may be created by law and placed under the commission.

(d) The director, with the advice and consent of the Governor, shall appoint the heads of the respective divisions. All other personnel of the commission shall be employed by and shall serve at the pleasure of the director. However, nothing in this section shall be so construed as to reduce any right that an employee of the commission shall have under any civil service or merit system.

(e) Each division of the commission shall be under the direction, control, and supervision of the director. The director may delegate his or her functions, powers, and duties to various divisions of the commission as he or she shall deem desirable and necessary for the effective and efficient operation of the commission.

(f) All personnel of the commission shall be considered employees of the Department of Commerce.

SECTION 503. Arkansas Code § 25-15-202(2)(C), concerning the definition of "agency" under the Administrative Procedures Act, is amended to read as follows:

(C) The word "agency" shall not include the Arkansas Public Service Commission, the Arkansas Pollution Control and Ecology Commission, the Workers' Compensation Commission, and the ~~Department~~ Division

of Workforce Services, as the existing laws governing those agencies provide adequate administrative procedures for those agencies.

SECTION 504. Arkansas Code § 25-27-103(a)(1), concerning the creation of the board of the Information Network of Arkansas, is amended to read as follows:

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

SECTION 505. Arkansas Code § 25-27-103(a)(3) and (4), concerning the creation of the board of the Information Network of Arkansas, are amended to read as follows:

(3) The ~~Director~~ Secretary of the Department of Finance and Administration, or the ~~director's~~ his or her designee;

(4) Two (2) members, or their designees, who are chief executive officers of agencies of the executive branch other than the Department of Finance and Administration and the ~~Department~~ Division of Information Systems, shall be appointed by the Governor;

SECTION 506. Arkansas Code § 25-27-103(a)(8), concerning the creation of the board of the Information Network of Arkansas, is amended to read as follows:

(8) The Director of the ~~Department~~ Division of Information Systems, or the director's designee.

SECTION 507. Arkansas Code § 25-29-110 is amended to read as follows:
25-29-110. Annual report.

The Board of Directors of the Arkansas Deaf and Hearing Impaired Telecommunications Services Corporation shall transmit to the Legislative Council, the ~~Governor~~ Secretary of the Department of Commerce, and the Arkansas Public Service Commission an annual report of its activities. The annual report shall be filed by March 31 of each year.

SECTION 508. Arkansas Code § 25-30-101(b)(2)(B) and (C), concerning creation and membership of the Career and Technical Education and Workforce Development Board, are amended to read as follows:

(B) The Director of the ~~Department~~ Division of Higher Education;

(C) The ~~Executive~~ Director of the Arkansas Community Colleges;

SECTION 509. Arkansas Code § 25-30-101(b)(2)(E), concerning creation and membership of the Career Education and Workforce Development Board, is amended to read as follows:

(E) The Director of the ~~Department~~ Division of Workforce Services;

SECTION 510. Arkansas Code § 25-30-109(a)(1) and (2), concerning the creation and duties of the Office of Skills Development, are amended to read as follows:

(a)(1) There is created within the ~~Department of Career Education under the oversight of the Career Education and Workforce Development Board~~ a Department of Commerce Office of Skills Development.

(2)(A) The Director of the Office of Skills Development shall be appointed by the ~~Director of the Department of Career Education~~ Secretary of the Department of Commerce in consultation with the Career Education and Workforce Development Board.

(B) The Director of the ~~Department of Career Education~~ Office of Skills Development may hire personnel necessary to carry out the duties of the office.

SECTION 511. Arkansas Code § 25-30-109(b)(7), concerning the creation and duties of the Office of Skills Development, is amended to read as follows:

(7)(A) Use ~~the Department of Career Education and other~~ available labor market information systems to collect, analyze, and disseminate information on current and projected employment opportunities in this state and other appropriate information relating to labor market dynamics as determined by the office.

(B) The office shall make the information contained in the labor market information system available on the ~~Department of Career Education's~~ Office of Skills Development's website.

SECTION 512. Arkansas Code § 25-30-202(b), concerning the scope of authority of the Rehabilitation Act of Arkansas, is amended to read as follows:

(b) Any and all statutory authority, powers, duties, functions, records, authorized positions, property, unexpended balances of appropriations, allocations, or other funds transferred from the Division of Rehabilitation Services to the Department of Human Services by Acts 1985, No. 348, are hereby transferred to the Arkansas Rehabilitation Services of the ~~Department of Career Education~~ Division of Workforce Services.

SECTION 513. Arkansas Code § 25-30-203(a), concerning the powers and duties of the State Board of Career Education, is amended to read as follows:

(a) ~~The State Board of Career Education~~ Arkansas Workforce Development Board, through the Arkansas Rehabilitation Services of the ~~Department of Career Education~~ Division of Workforce Services, shall provide the rehabilitation services authorized by this subchapter to eligible physically or mentally disabled individuals and those who can benefit from vocational rehabilitation and independent living services, as determined by the agency to be eligible therefor.

SECTION 514. Arkansas Code § 25-30-205 is amended to read as follows:
25-30-205. Office facilities.

~~The Building Authority Division of the Department of Finance and Administration~~ shall ensure that all offices of the Arkansas Rehabilitation Services of the ~~Department of Career Education~~ Division of Workforce Services are exemplary models of accessibility and conform to the Americans with Disabilities Act, 42 U.S.C. § 12101 et seq., accessibility guidelines.

SECTION 515. Arkansas Code § 25-30-206(b)(1), concerning the creation of the Arkansas Rehabilitation Services Forgiveness of Student Loan Program, is amended to read as follows:

(b)(1) The program shall be administered by the Arkansas Rehabilitation Services of the ~~Department of Career Education~~ Division of Workforce Services.

SECTION 516. Arkansas Code § 26-18-303(b)(21), concerning exceptions to confidential and privileged tax records, is amended to read as follows:

(21)(A) To perform audit and compliance duties, disclosure to the ~~Department~~ Division of Workforce Services of withholding tax information reported by companies doing business in Arkansas, including without limitation taxpayer names, taxpayer addresses, tax identification numbers, and tax withholding information.

(B) Information received by the ~~Department~~ Division of Workforce Services under this section shall remain confidential and is not subject to disclosure except in accordance with this section;

SECTION 517. Arkansas Code § 26-51-505(e)(2), concerning the establishment or expansion of a manufacturing enterprise, is amended to read as follows:

(2) The division shall consult with the ~~Department~~ Division of Workforce Services and the Arkansas Economic Development Council during the promulgation of the rules and regulations.

SECTION 518. Arkansas Code § 26-51-506(c)(2)(B)(vi) and (vii), concerning unused and carry forward tax credits for waste reduction, reuse, or recycling equipment, are amended to read as follows:

(vi) Beginning July 1, 2016, by July 15 of each year, the public retirement system with possession and control of the tax credits under this subdivision (c)(2)(B) shall provide notice to the Department of Finance and Administration of the amount of tax credits, including tax credits pending certification by the ~~Arkansas Department~~ Division of Environmental Quality, subject to the limitations in subdivision (c)(2)(B)(iii) of this section, to be sold or transferred for value.

(vii) The State of Arkansas shall pay the purchase price equal to eighty percent (80%) of the face value of all of the tax credits included in the notice required in subdivision (c)(2)(B)(vi) of this section on or before June 30 of the year following the year in which the notice was provided for all tax credits certified by the ~~Arkansas Department~~ Division of Environmental Quality by June 30 of the year following the year in which the notice was provided by warrant from the Economic Development Incentive Fund funded by a transfer from general revenue.

SECTION 519. Arkansas Code § 26-51-506(c)(3)(D)(v) and (vi), concerning eligibility for a tax credits by a public retirement system for waste reduction, reuse, or recycling equipment, are amended to read as follows:

(v) Beginning July 1, 2020, by July 15 of each year, the public retirement system with possession and control of the tax credits under this subdivision (c)(3)(D) shall provide notice to the Department of Finance and Administration of the amount of tax credits, including tax credits expected to receive certification during the fiscal year by the ~~Arkansas Department~~ Division of Environmental Quality, subject to the limitations in subdivision (c)(3)(D)(iii) of this section, to be sold or transferred for value.

(vi) The State of Arkansas shall pay the purchase price equal to eighty percent (80%) of the face value of all of the tax credits included in the notice required in subdivision (c)(3)(D)(v) of this section on or before June 30 of the calendar year following the calendar year in which the notice was provided for all tax credits certified by the ~~Arkansas Department~~ Division of Environmental Quality by June 30 of the calendar year following the calendar year in which the notice was provided by warrant from the Economic Development Incentive Fund funded by a transfer from general revenue.

SECTION 520. Arkansas Code § 26-51-506(d), concerning the procedure to claim tax credits for waste reduction, reuse, or recycling equipment, is amended to read as follows:

(d) To claim the benefits of this section, a taxpayer must obtain a certification from the Director of the ~~Arkansas Department~~ Division of Environmental Quality certifying to the Revenue Division of the Department of Finance and Administration that:

(1) The taxpayer is engaged in the business of reducing, reusing, or recycling solid waste material for commercial purposes, whether or not for profit;

(2) The machinery or equipment purchased is waste reduction, reuse, or recycling equipment;

(3) The machinery or equipment is being used in the collection,

separation, processing, modification, conversion, treatment, or manufacturing of products containing at least fifty percent (50%) recovered materials, provided that at least ten percent (10%) of the recovered materials shall be post-consumer waste; and

(4) The taxpayer has filed a statement with the director acknowledging that the taxpayer will make a good faith effort to utilize post-consumer waste generated in Arkansas as at least ten percent (10%) of the post-consumer waste being used in the equipment, to the extent available at a competitive price.

SECTION 521. Arkansas Code § 26-51-506(f)(5), concerning eligibility, timing and application for tax credits for waste reduction, reuse, or recycling equipment, is amended to read as follows:

(5)(A) This subsection shall apply to all credits which are certified as a result of applications for certification filed with the ~~Arkansas Department~~ Division of Environmental Quality on or after July 1, 1993.

(B) This subsection shall not apply to credits which are certified as a result of applications for certification filed with the ~~Arkansas Department~~ Division of Environmental Quality prior to July 1, 1993.

(C) Taxpayers who file written notice and a project plan with the ~~Arkansas Department~~ Division of Environmental Quality prior to July 1, 1993, shall be deemed to have filed an application for certification for purposes of this subdivision (f)(5), provided that all the information necessary to complete the application for certification is provided to the ~~Arkansas Department~~ Division of Environmental Quality on or before December 31, 1993.

SECTION 522. Arkansas Code § 26-51-506(k)(1)(A), concerning the authority of the Arkansas Department of Environmental Quality to promulgate rules for eligibility for a tax credit for waste reduction, reuse, or recycling equipment, is amended to read as follows:

(k)(1)(A) The ~~Arkansas Department~~ Division of Environmental Quality and the division shall promulgate rules or regulations as are necessary to administer this section.

SECTION 523. Arkansas Code § 26-51-815(d)(2)(D), concerning the definition of "qualified technology incubator" under the laws regarding computing capital gains and losses, is amended to read as follows:

(D) "Qualified technology incubator" means a business incubator certified by the ~~Executive~~ Director of the Arkansas Economic Development Commission with the advice of the Board of Directors of the Division of Science and Technology of the Arkansas Economic Development Commission as being a facility operated in cooperation with an Arkansas college or university to foster the growth of technology-based enterprises.

SECTION 524. Arkansas Code § 26-51-1102(c)(2)(A), concerning the granting of a tax credit for donations of new machinery or equipment by taxpayer to an educational institution, is amended to read as follows:

(A) Be consistent with the research and development plan approved by the ~~Executive~~ Director of the Arkansas Economic Development Commission with the advice of the Board of Directors of the Division of Science and Technology of the Arkansas Economic Development Commission, as evidenced by a letter of support from the ~~executive~~ director; and

SECTION 525. Arkansas Code § 26-51-1105 is amended to read as follows:
26-51-1105. Rules and regulations.

The ~~Director~~ Secretary of the Department of Finance and Administration, the Director of the ~~Department~~ Division of Higher Education, the Director of the ~~Department~~ Division of Career and Technical Education, the Director of the ~~Department~~ Division of Workforce Education, and the ~~Executive~~ Director of the Arkansas Economic Development Commission shall promulgate such reasonable rules as they shall deem necessary and appropriate to carry out the purposes of this subchapter.

SECTION 526. Arkansas Code § 26-51-2005(b) and (c), concerning the qualification and determination of credits under the Manufacturer's Investment Tax Credit Act, are amended to read as follows:

(b)(1) Upon determination by the Director of the Arkansas Economic Development Commission that the project qualifies for credit under this subchapter, the Director of the Arkansas Economic Development Commission shall certify to the ~~Director~~ Secretary of the Department of Finance and

Administration that the project is qualified and transmit with his or her certification the documents upon which the certification was based or copies.

(2) Upon receipt by the ~~Director~~ Secretary of the Department of Finance and Administration of a certification from the Director of the Arkansas Economic Development Commission that an eligible business is entitled to credit under this subchapter, the ~~Director~~ Secretary of the Department of Finance and Administration shall provide forms to the eligible business on which to claim the credit.

(c)(1) At the end of the calendar year in which the application was made to the Director of the Arkansas Economic Development Commission and at the end of each calendar year thereafter until the project is completed, the eligible business shall certify on the form provided by the ~~Director~~ Secretary of the Department of Finance and Administration the amount of expenditures on the project during the preceding calendar year.

(2)(A) Upon receipt of the form certifying expenditures, the ~~Director~~ Secretary of the Department of Finance and Administration shall determine the amount due as a credit for the preceding calendar year and issue a memorandum of credit to the eligible business in the amount of seven percent (7%) of the expenditure.

(B)(i)(a) Except as provided in § 26-51-2007, the credit shall then be applied against the eligible business' state income tax liability in the year following the year of the expenditure.

(b) However, if the credit is not used in the calendar year following the expenditure, it may be carried over to the next succeeding calendar year for a total period of six (6) years following the year in which the credit was first available for use or until the credit is exhausted, whichever occurs first.

(ii) In no event shall the credit used on any regular return be more than fifty percent (50%) of the eligible business' total state income tax liability for the reporting period.

(iii) The ~~Director~~ Secretary of the Department of Finance and Administration may require proof of these expenditures.

(iv) The ~~Director~~ Secretary of the Department of Finance and Administration may examine those records necessary and specific to the project to determine credit eligibility. Any credits disallowed shall be subject to payment in full.

SECTION 527. Arkansas Code § 27-3-103(b)(3)(A), concerning the creation of the Arkansas Public Transportation Coordination Council, is amended to read as follows:

(A) The ~~Director~~ Secretary of the Department of Human Services or his or her designee;

SECTION 528. Arkansas Code § 27-3-103(b)(3)(C), concerning the creation of the Arkansas Public Transportation Coordination Council, is amended to read as follows:

(C) The ~~Director~~ Secretary of the Department of Health or his or her designee;

SECTION 529. Arkansas Code § 27-3-103(b)(3)(E), concerning the creation of the Arkansas Public Transportation Coordination Council, is amended to read as follows:

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

SECTION 530. Arkansas Code § 27-115-101 is amended to read as follows:
27-115-101. Creation.

There is created a commission to be known as the "~~Arkansas Department~~ Division of Aeronautics", which shall maintain an office in the City of Little Rock.

SECTION 531. Arkansas Code § 27-115-102 is amended to read as follows:
27-115-102. Purpose.

The ~~Arkansas Department~~ Division of Aeronautics is established and authorized to represent the State of Arkansas in the promotion and development of landing fields, airports, hangars, and other aeronautical projects and to cooperate with and secure the cooperation of the Federal Aviation Administration and any other duly authorized federal agencies interested in the development of aeronautics.

SECTION 532. Arkansas Code § 27-115-103(a), concerning the Arkansas Department of Aeronautics, is amended to read as follows:

(a) The ~~Arkansas Department~~ Division of Aeronautics shall be composed of seven (7) members appointed by the Governor.

SECTION 533. Arkansas Code § 27-115-104 is amended to read as follows:
27-115-104. Director.

Any person employed as Director of the ~~Arkansas Department~~ Division of Aeronautics shall possess the qualifications of a multi-engine commercial pilot. No other flight or pilot qualification shall be required for such director.

SECTION 534. Arkansas Code § 27-115-105 is amended to read as follows:
27-115-105. Secretary Director.

(a) The Secretary Director of the ~~Arkansas Department~~ Division of Aeronautics, ~~or the administrative head of the department,~~ shall be appointed by the ~~department~~ Secretary of the Department of Commerce with the approval of the Governor and shall serve at the pleasure of the Governor.

(b) The director shall report to the secretary.

SECTION 534. Arkansas Code § 27-115-106 is amended to read as follows:
27-115-106. Administration – Promulgation of rules and regulations.

The ~~Arkansas Department~~ Division of Aeronautics shall administer the provisions of this chapter and § 27-116-101 et seq. and is authorized and directed to promulgate regulations, as approved by the Secretary of the Department of Commerce, as necessary to execute the powers invested in ~~it~~ the division by this chapter and § 27-116-101 et seq. and other applicable laws.

SECTION 536. Arkansas Code § 27-115-107 is amended to read as follows:
27-115-107. Powers generally.

(a) The ~~Arkansas Department~~ Division of Aeronautics shall have the right to:

(1) Receive grants and donations, appropriations, and other funds or materials on behalf of the state or any county or municipality for utilization in the development of aeronautics, provided that the ~~department~~ division shall not have the right to use the funds received for a particular purpose for any other purpose without the consent of the person or agency providing the particular funds; and

(2) Plan and lay out a state system of landing fields, airports, and airways and to inspect them and to close any landing field or airport found to be unsafe.

(b) The ~~department~~ division is authorized:

(1) To accept as a loan or a gift any aircraft made available for its use by the federal government or any agency thereof; or

(2) To match any funds made available by the federal government, any agency thereof, or any person or corporation with any moneys available to the ~~department~~ division for the purpose of acquiring any aircraft which it may deem necessary to the proper performance of its duties as provided by law.

SECTION 537. Arkansas Code § 27-115-108 is amended to read as follows:
27-115-108. Duties generally.

(a) It shall be the duty of the ~~Arkansas Department~~ Division of Aeronautics to:

(1) Provide for the examination, rating, and licensing of airports, landing fields, and air navigation facilities available for the use of aircraft;

(2) Adopt, with the approval of the Secretary of the Department of Commerce, rules and regulations for the issuance, expiration, suspension, or revocation of licenses of airports, landing fields, and air navigation facilities, and of other licenses or certificates that the ~~department~~ division deems necessary in administering the functions vested in the ~~department~~ division under this chapter and § 27-116-101 et seq.;

(3) Establish, set apart, and provide for the protection of necessary air space reservations within the state in addition to and not in conflict with air space reservations established by the President of the United States or any department of the United States or with any civil or military airway designated under the provisions of the Air Commerce Act of 1926 and the amendments thereto, or other act of Congress pertaining thereto;

(4) Designate, establish, and chart civil airways within, over, and above the lands or waters of the state and arrange for publication of maps of such airways, utilizing the facilities and assistance of existing agencies of the state as far as practicable. The ~~department~~ division shall grant no exclusive right for the use of any civil airway, airport,

intermediate landing field, or other air navigation facility under its jurisdiction;

(5) Investigate, record, and report the causes of accidents in civil air navigation within this state;

(6) Encourage the establishment of airports, civil airways, and other air navigation facilities;

(7) Supervise and regulate the safety, adequacy, and sufficiency of all airports, landing fields, and air navigation facilities and equipment used or to be used in private or commercial flying;

(8) Adopt, with the approval of the Secretary of the Department of Commerce, rules and regulations governing instruction in flight or ground school offered to student fliers or mechanics when the instruction is conducted by individual flight instructors licensed under appropriate Federal Aviation Administration regulations and adopt rules and regulations governing the safety, adequacy, and sufficiency of airports, landing fields, and air navigation facilities and equipment used or to be used in the instruction of student fliers or mechanics;

(9) Adopt, with the approval of the Secretary of the Department of Commerce, rules and regulations for the marking of highways, municipalities, and all other serial markings used throughout the state;

(10) Adopt, with the approval of the Secretary of the Department of Commerce, rules and regulations governing the erection, location, and maintenance of aerial beacon lights and other aerial night lighting equipment within the state;

(11) Exchange with the Federal Aviation Administration and other state governments through existing governmental channels information pertaining to civil air navigation;

(12) Enforce the regulations and air traffic rules, promulgated as provided hereunder, through the assistance and cooperation of state and local authorities charged with the enforcement of law in their respective jurisdictions;

(13) Establish by regulation, with the approval of the Secretary of the Department of Commerce, the minimum safe altitudes for flight, including air traffic rules; and

(14) Establish, with the approval of the Secretary of the Department of Commerce, posting requirements for compliance with § 12-19-102,

concerning the posting of information about the National Human Trafficking Resource Center Hotline.

(b) All rules and regulations prescribed by the ~~department~~ division under the authority of this section shall be consistent with and conform to current federal legislation governing aeronautics and the regulations duly promulgated thereunder and rules issued from time to time pursuant thereto. Nothing in this section shall confer upon the ~~department~~ division the power to determine schedules, issue stock, or determine public convenience or the adequacy and sufficiency of service of common carriers engaged in commercial flying within this state.

SECTION 538. Arkansas Code § 27-115-109 is amended to read as follows:
27-115-109. Location and construction of landing fields.

(a) The ~~Arkansas Department~~ Division of Aeronautics shall assist in the location of landing fields and the promotion and development of aeronautics throughout the state.

(b) The ~~Arkansas Department of Aeronautics~~ division may use for the construction and development of these fields and for the grading and construction of highways leading thereto, any equipment of the Arkansas Department of Transportation which is not at that time required for other construction purposes.

SECTION 539. Arkansas Code § 27-115-110 is amended to read as follows:
27-115-110. Disposition of funds.

(a) All revenues derived from the levying of the Arkansas Gross Receipts Tax, as amended, § 26-52-101 et seq., upon aircraft and aviation fuel, aviation services, aircraft parts and accessories, and other gross receipts taxes remitted by aircraft dealers, airports, and flying fields shall be reported to the ~~Director~~ Secretary of the Department of Finance and Administration in a manner and on forms as he or she shall direct.

(b) The ~~Arkansas Department~~ Division of Aeronautics is authorized to accept donations and grants of all property, whether real or personal.

(c) Tax proceeds and grants and donations of money shall be special revenues and shall be deposited in the State Treasury to the credit of the ~~Arkansas Department~~ Division of Aeronautics Fund to be used for constructing and improving airports, civil airways, and other air navigation facilities

and for preserving the history of aviation in the state.

(d) The ~~Arkansas Department of Aeronautics~~ division shall administer the funds so deposited and shall use the funds for the sole purpose of building airports, civil airways, and other air navigation facilities in this state in those cities or towns as the ~~Arkansas Department of Aeronautics~~ division, in coordination with the Arkansas Economic Development Council, shall determine would attract the greatest volume of industry to this state.

(e) The funds may also be used for the purpose of:

(1) Matching funds with any federal funds made available for the purpose of this section; or

(2)(A) Establishing an aviation museum to preserve the history of aviation in the state.

(B) Assistance for the establishment of an aviation museum shall not exceed a total of twenty thousand dollars (\$20,000).

(f)(1) All revenues derived from the levying of the compensating use tax under the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq., upon aircraft and aviation fuel, aviation services, and aircraft parts and accessories remitted by aircraft dealers, airports, and flying fields shall be reported to the Director of the ~~Arkansas Department~~ Division of Aeronautics in a manner and on forms as he or she shall direct.

(2) ~~The first eight hundred thousand dollars (\$800,000) of the state use tax collected after June 30, 1997, and collected through June 30, 1998, shall be deposited in the State Treasury as general revenues. The remainder of the revenues collected during this period shall be special revenues and shall be deposited in the State Treasury to the credit of the fund to be used for the purposes set forth in this subsection.~~

(3) ~~The first eight hundred thousand dollars (\$800,000) of the state use tax collected after June 30, 1998, and collected through June 30, 1999, shall be deposited in the State Treasury as general revenues. The remainder of the revenues collected during this period shall be special revenues and shall be deposited in the State Treasury to the credit of the fund to be used for the purposes set forth in this subsection.~~

(4) ~~The first four hundred thousand dollars (\$400,000) of the state use tax collected after June 30, 1999, and collected through June 30, 2000, shall be deposited in the State Treasury as general revenues. The remainder of the revenues collected during this period shall be special~~

~~revenues and shall be deposited in the State Treasury to the credit of the fund to be used for the purposes set forth in this subsection.~~

~~(5) The first two hundred thousand dollars (\$200,000) of the state use tax collected after June 30, 2000, and collected through June 30, 2001, shall be deposited in the State Treasury as general revenues. The remainder of the revenues collected during this period shall be special revenues and shall be deposited in the State Treasury to the credit of the fund to be used for the purposes set forth in this subsection.~~

~~(6) Beginning July 1, 2001, all All state use tax derived shall be special revenues and shall be deposited in the State Treasury to the credit of the fund to be used for the purposes set forth in this subsection.~~

SECTION 540. EMERGENCY CLAUSE. It is found and determined by the General Assembly of the State of Arkansas that this act revises the duties of certain state entities; that this act establishes new departments of the state; that these revisions impact the expenses and operations of state government; and that the provisions of this act should become effective at the beginning of the fiscal year to allow for implementation of the new provisions at the beginning of the fiscal year. Therefore, an emergency is declared to exist, and this act being necessary for the preservation of the public peace, health, and safety shall become effective on July 1, 2019.