

Department of Finance and Administration

Legislative Impact Statement

Bill: SB41

Bill Subtitle: TO MAKE TECHNICAL CHANGES TO THE LAW CONCERNING THE ARKANSAS FIRE AND POLICE PENSION REVIEW BOARD.

Basic Change :

Sen. Sample,

This Bill would allow underfunded plans to collect at least one mill in property taxes for the benefit of the pension and relief fund. The substantive effect will be to allow roughly five additional plans to join the fund.

Currently, local city and county plans can only come up with the required funding levels through local employer contributions, something which several of these plans apparently cannot do. The bill would give them another option in the form of a local property tax levy.

Revenue Impact :

Maximum general revenue impact will be approximately \$118,000. Pension fund collections include a minimal general revenue distribution of \$4 million. Annual collections for the fiscal year ending June, 2012 were \$4,118,699. Thus, plans able to join as a result of SB41 would drain the fund to minimal amount required for distribution to General Revenue.

Taxpayer Impact :

None

Resources Required :

None

Time Required :

None

Procedural Changes :

None

Other Comments :

No opposition expected.

Legal Analysis :

None