

Department of Finance and Administration

Legislative Impact Statement

Bill: SB315

Bill Subtitle: TO AMEND THE LAW CONCERNING DRIVER'S LICENSE REINSTATEMENT FEES.

Basic Change :

Sponsor: Sen. Hammer

SB315 would allow the Office of Driver Services (ODS) to request the Revenue Division of the Arkansas Department of Finance and Administration (DFA) to intercept a taxpayer's state income tax refund to satisfy outstanding driver's license reinstatement fees. Taxpayers would be notified of this intent to intercept a tax refund prior to any action being taken to intercept a taxpayer's refund.

Revenue Impact :

During the effective period of Act 915, 2017, \$2.5 Million was collected in outstanding reinstatement fees.

[As of February 15, 2019, approximately 177,000 customers owe reinstatement fees totaling \$57.7 million.]

Taxpayer Impact :

Taxpayers that currently owe reinstatement fees under §§ 5-65-119, 27-16-508 or 27-16-808 would have their state income tax refund intercepted against outstanding reinstatement fees owed to ODS.

Resources Required :

Implementation of this project would be estimated at \$142,500.00 with ongoing estimated yearly maintenance of \$15,000.

Time Required :

Requested implementation date of October 1, 2019.

Procedural Changes :

ODS would work to create a schedule in which to notify taxpayers of this action as well as training existing employees on the procedure.

Other Comments :

None.

Legal Analysis :

Under current law, a driver whose license is suspended because of an administrative order or conviction for any violation or offense must pay to the Office of Driver Services a reinstatement fee of \$100 per order or conviction. If the driver's license is suspended because of an offense of Driving or Boating While Intoxicated (DWI or BWI), the reinstatement fee is \$150 per occurrence of DWI or BWI.

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Act 915 of 2017 allowed the Office of Driver Services to intercept all \$100 reinstatement fees out of the driver's state income tax refund. However, Act 915 was effective only until January 15, 2019.

SB315 would reinstate the authority of the Office of Driver Services to intercept all \$100 reinstatement fees. In addition, SB315 would extend the authority of the Office of Driver Services to intercept the \$150 reinstatement fees that arise out of suspensions for DWI or BWI.