

Department of Finance and Administration

Legislative Impact Statement

Bill: JAP061 (Amendment to HB1065)

**Bill Subtitle: AN ACT FOR THE DEPARTMENT OF FINANCE AND ADMINISTRATION -
DISBURSING OFFICER APPROPRIATION FOR THE 2024-2025 FISCAL YEAR.**

Basic Change:

Sponsor: Sen. Davis

Under current law, a county collector sends collection statements to taxpayers for taxes owed. A collection statement includes personal property taxes and real property taxes. Along with the real property taxes listed on the taxpayer collection statement, there may be levied fees for special improvement districts including without limitation assessments for fire protection districts.

All property tax is due by October 15th of each year. At the end of the current collection cycle, any delinquent fire district assessments are returned to the fire district for collection.

Currently the special improvement district fees are added to the real property portion of the taxpayer collection statement. Under § 14-284-216, a property owner is required to pay any assessment for a special improvement tax, including a fire protection district assessment, as a prerequisite to payment of real property taxes.

JAP061 is an amendment to HB1065, which is the appropriation bill for the Disbursing Officer of the Department of Finance and Administration. The proposed special language amendment to HB1065 under JAP061 would amend § 14-284-216(a) to also require a taxpayer to pay the special improvement assessment as a prerequisite to payment of personal property taxes.

Revenue Impact:

No impact to state revenues. Special improvement districts may see an increase in collection of current fees.

Taxpayer Impact:

A taxpayer will be required to pay special improvement tax, including assessments for fire protection districts, as a prerequisite to payment of personal property tax.

Resources Required:

Computer programs, tax forms, and instructions might need to be updated.

Time Required:

Adequate time is provided for implementation.

Procedural Changes:

County tax collectors may need to update office policies and procedures.

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Other Comments:

None.

Legal Analysis:

Fiscal sessions of the Arkansas General Assembly may only entertain appropriation bills. Ark. Const. Art. 5, § 5(b) (as amended by Amendment 86). A bill other than an appropriation bill may be considered in a fiscal session if two-thirds of the members of each house of the General Assembly approve consideration of the bill. *Id.* at (c)(2). Article 5, § 29 of the Arkansas Constitution requires that appropriations be made by law with a distinctly stated purpose. These appropriations may only encompass one purpose pursuant to Article 5, § 30 of the Arkansas Constitution. An appropriation bill may not include substantive provisions distinct from the appropriation itself. *See Reid v. Jones*, 261 Ark. 550, 551 S.W.2d 191 (1977). JAP061 may be subject to challenge under the Arkansas Constitution.