

# Department of Finance and Administration

## Legislative Impact Statement

**Bill: SB572**

**Bill Subtitle: CONCERNING THE FALLEN LAW ENFORCEMENT OFFICER'S BENEFICIARY FUND; TO CREATE THE COMMISSION ON LAW ENFORCEMENT STANDARDS AND TRAINING FUND; AND TO DECLARE AN EMERGENCY.**

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### Basic Change :

#### **Sponsor: Sen. Sample**

Under SB572, lien notation fees levied under § 27-14-602(b)(3) will increase from \$.50 to \$6.00. Also, the bill increases lien notation fees levied under § 27-14-806(a)(3) from \$1.00 to \$6.00.

Until 2010, all fees levied under § 27-14-602(b) were pledged to pay the principal and interest owed on loans and bonds made under Revenue Division Building Acts. Those loans and bonds were paid off in 2010 and, pursuant to Section 8(d) of the 1995 New Revenue Division Building Act, these fees have been deposited as special revenues for the benefit of the Constitutional Officers Fund and State Central Services Fund (COF/SCSF). SB572 proposes to use these fees for other purposes as follows:

1. The first \$920,000 received from certificate of title and duplicate certificate of title fees under § 27-14-602(b)(1)-(2) will be deposited into the COF/SCSF for use as provided in § 19-5-205. If more than \$920,000 in such fees are received, those fees, up to an additional \$920,000 in each fiscal year, will be deposited into the State Police Retirement Fund (SPRF) for use to fund the State Police Retirement System. If more than \$1,840,000 in fees is collected in a fiscal year, the excess amount of those fees will be divided equally between the COF/SCSF and the SPRF.
2. All transfer of registration fees, duplicate or substitute registration certificate fees, and duplicate or substitute license plate fees levied under § 27-14-602(b)(4)-(b)(6) will be deposited into the COF/SCSF for use as provided in § 19-5-205.
3. Lien notation fees levied under §§ 27-14-602(b)(3) and 27-14-806 will be deposited as follows: \$470,000 into the COF/SCSF for use as provided in § 19-5-205; \$2,300,000 into the Department of Arkansas State Police Fund (DASPF) for purposes of funding the Department of Arkansas State Police Commission Health Plan; and \$1,200,000 into a new fund created in the bill called the Commission on Law Enforcement Standards and Training Fund (COLESTF) to be used to fund the duties of the Commission on Law Enforcement Standards and Training and to provide additional funding (not to exceed \$100,000 per fiscal year) to the Fallen Law Enforcement Officer's Beneficiary Fund (FLEOBF).

### Revenue Impact :

Estimated increase in Title Lien fee collections of \$2,238,929.  
Estimated increase in Direct Lien fee collections of \$1,463,885.

### Taxpayer Impact :

Title Lien fees will increase from fifty cents (\$.50) to six dollars (\$6.00)  
Direct Lien fees will increase from one dollar (\$1.00) to six dollars (\$6.00).

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### **Resources Required :**

Additional programming will be necessary to implement the new fee amounts. Programming is estimated to cost \$2,400.00.

### **Time Required :**

Emergency Clause effective on or after July 1, 2017.

### **Procedural Changes :**

Motor Vehicle Procedures Manual will need to be reviewed and distributed to Revenue Offices. Additional employee training will be necessary.

### **Other Comments :**

None.

### **Legal Analysis :**

As written, the bill authorizes the Commission on Law Enforcement Standards and Training to transfer up to \$100,000 each fiscal year from the COLESTF to the FLEOBF without the approval of the Chief Fiscal Officer. It may be recommended that no funds be transferred without approval of the Chief Fiscal Officer.

Currently, the lien fee levied under § 27-14-806 is not clearly identified in Title 19 as special revenue. For this reason, it may be recommended that Section 1 of the bill be amended to include the lien fee in § 27-14-806 as special revenue under § 19-6-301.

As the loans and bonds made under Revenue Division Building Acts have been paid in full since 2010, it may also be recommended that SB572 be amended for the purpose of removing references to funds pledged for the various building acts from § 19-6-301(9) and (11).

The title of SB572 may not provide an adequate description of the bill. Specifically, the title states only that the act concerns the fallen law enforcement officer's beneficiary fund, creates the Commission on Law Enforcement Standards and Training Fund, and declares an emergency. However, the bill also redistributes fees collected under §§ 27-14-602 and 27-14-806 and amends provisions of state law concerning special revenues in § 19-6-301.