

# Department of Finance and Administration

## Legislative Impact Statement

**Bill: SB574**

**Bill Subtitle: TO AMEND ARKANSAS LAW CONCERNING EXPENSE REIMBURSEMENT PAYABLE TO CERTAIN STATE OFFICIALS AND EMPLOYEES.**

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### **Basic Change :**

SB574 would require the Chief Fiscal Officer of the State to promulgate by rule the allowable rate of reimbursement for the use of a privately owned motor vehicle while traveling on official business for the State equal to the rate allowable by the Internal Revenue Service per mile for business use of privately owned motor vehicles as of January 1, 2017.

Current state reimbursement rate is \$.42 per mile. With this bill, the reimbursement rate will increase by 11.5 cents/mile to \$.535 per mile.

### **Revenue Impact :**

**Annual increase in expenditures of \$3,103,490 for all funding sources of which \$937,924 is general revenue.**

For state agencies the current state reimbursement rate is \$0.42 per mile. This bill will raise it to \$0.535 (53 ½ cents) per mile, which is an increase of \$0.115 per mile

Calculations based upon FY16 Mileage Reimbursement

Total Miles:	26,986.869.1		
Increase Cost:	11.5 cents		
Total Cost:	\$ 3,103,489.95		
General Revenue	30.22157%	\$	937,923.37
Fed	53.91032%	\$	1,673,101.36
SR/Other	15.86811%	\$	492,465.22

### **Taxpayer Impact :**

None.

### **Resources Required :**

None.

### **Time Required :**

None.

### **Procedural Changes :**

The Chief Fiscal Officer of the State will be required to promulgate rules.

### **Other Comments :**

None.

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### Legal Analysis :

SB574 reconciles the amount of private automobile mileage reimbursement to be paid to state employees with the amount paid to members of the Legislature by incorporating the rate per mile allowed by the Internal Revenue Service. The CFO of the state shall promulgate a rule to announce the rate and make changes to the rule whenever necessary.

The bill would reconcile the timing of mileage reimbursements for legislators and state employees by amending current law which provides that legislators apply for mileage reimbursements during sessions. The bill proposes to provide mileage reimbursement to legislators during periods between sessions when the miles are incurred in the performance of his or her duties. This change would allow legislators to be reimbursed for mileage in the same manner as state employees because employees receive mileage reimbursements when they are incurred.

Although it incorporates reference to the IRS rate as of January 1, 2017, it is unclear when the bill will become effective because the bill does not contain an effective date section or internal effective date reference.

Section 1 of the bill should provide that 10-2-212 is "amended to add a subsection to read as follows:"  
Section 2 of the bill should provide that 19-4-903(b)(2) is "amended to add a subdivision to read as follows:"