

Department of Finance and Administration

Legislative Impact Statement

Bill: HB2076

As Engrossed: 3/20/2013

Bill Subtitle: TO PROMOTE THE SUSTAINABILITY OF THE ARKANSAS ACADEMIC CHALLENGE SCHOLARSHIP PROGRAM AND TO SUPPORT STATE GOALS FOR INCREASING THE COLLEGE COMPLETION RATE FOR STUDENTS RECEIVING AN ACADEMIC CHALLENGE SCHOLARSHIP.

Basic Change :

Representative Bell

The bill requires repayment of the Arkansas Academic Challenge, Part 2 scholarships awarded to nontraditional students if the recipient does not fulfill certain requirements. One method of repayment is through a setoff against the recipient's state income tax refund. The Department of Higher Education is required to comply with the provisions of current law regarding setoff of an income tax refund.

Revenue Impact :

None

Taxpayer Impact :

Taxpayers required to repay the Department of Higher Education for scholarships received under the Arkansas Academic Challenge, Part 2 may have their income tax refunds captured to pay the debt.

Resources Required :

None

Time Required :

Adequate time is provided.

Procedural Changes :

Employees will need to be trained about the new offset program.

Other Comments :

None

Legal Analysis :

The H3/20/13 engrossment of HB2076 deletes the provision of the bill requiring the Department of Finance and Administration (DFA) to allow an income tax setoff for the Department of Higher Education (DHE) to recover scholarship money without first receiving an application as is currently required by Arkansas law. As amended, the bill requires DHE to fully comply with the setoff law before an income tax refund setoff is allowed.