

Department of Finance and Administration

Legislative Impact Statement

Bill: SB695

Bill Subtitle: TO AMEND THE DISTRIBUTION OF CERTAIN REAL PROPERTY TRANSFER TAX REVENUES; AND TO PROVIDE A SOURCE OF FUNDING FOR LAND-GRANT MATCH PAYMENTS FOR THE UNIVERSITY OF ARKANSAS AT PINE BLUFF.

Basic Change : Sponsor: Senator S. Flowers

The proposal will amend current law regarding the distribution of Real Property Transfer Tax Revenues (deed stamps) to fund the Land Grant Match-Certification and Verification for the University of Arkansas at Pine Bluff. The proposal would amend the disposition of the \$2.20 portion of \$3.30 tax levied per one thousand dollars of consideration on real property transfers. Under current law, eighty percent (80%) of the revenue from the \$2.20 portion is credited to the Arkansas Natural and Cultural Resources Grants and Trust Fund and managed by the Arkansas Natural and Cultural Resources Council for use in the acquisition, management, and stewardship of state-owned lands or the preservation of state-owned historic sites, buildings, structures, or objects. The proposal would amend the distribution to provide that funds would first be credited to the University of Arkansas at Pine Bluff Fund to be used to make the required state match under the Agricultural College Act of 1890, 7 U.S.C. §321 et seq. The amount remaining after deposit to the UAPB Fund would be credited to the Arkansas Natural and Cultural Resources Grants and Trust Fund.

Revenue Impact :

The proposal would reduce the amount of the Real Property Transfer Tax that is currently deposited to the Arkansas Natural and Cultural Resources Grants and Trust Fund and deposit the revenues to the University of Arkansas at Pine Bluff Fund. It is not currently possible to determine the amount of money that would flow to UAPB under this bill that would have otherwise gone to the Natural and Cultural Resources Grants and Trust Fund because the amount needed to provide the state match under the Agricultural College Act of 1890 is unknown. The proposal has no impact on State General Revenues.

Taxpayer Impact :

None

Resources Required :

None

Time Required :

Adequate time is provided for implementation.

Procedural Changes :

This proposal will require modifications to the state's tax system to allow for the new distribution method of funds collected for this tax type.

Legal Analysis :

SB695 is a bill to direct certain real property transfer tax revenues to provide a source of funding for land-grant match payments for the University of Arkansas at Pine Bluff. Section 1 sets forth the legislative findings concerning the revenue shortfalls the University of Arkansas at Pine Bluff faces each fiscal year in trying to generate the required state match mandated for land-grant universities under the Agricultural Colleges Act of 1890 as codified at 7 U.S.C. § 321 et seq.

Section 2 requires the Chancellor of UAPB to certify in writing to the Chief Fiscal Officer of the State, before October 1 of each year, the amount required for the State matching funds and the amount of the State matching funds that exceed the general revenues budgeted by university for the state match.

The Chancellor is required to submit to, without limitation, all documentation provided by the federal

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government specifying the exact amount that will be made available to the university. Upon certification of the exact amount made available by the federal government to the university, the Chief Fiscal Officer shall verify the state match amount required for the next fiscal year that exceeds the general revenues budgeted by the university as required by the Agricultural Colleges Act of 1890, 7 U.S.C. § 321 et seq.

Section 3 amends § 15-12-103(b)(1) to credit, after a three percent (3%) deduction for distribution to the Constitutional Officers Fund and State Central Service Fund, eighty percent (80%) of the revenue generated by certain real property transfer tax revenues shall be credited to the University of Arkansas at Pine Bluff fund to be used to make the state match as required by the Agricultural College Act of 1890, 7 U.S.C. § 321 et seq. The remaining amount of funds, in excess the required state match, shall be credited to the Arkansas Natural and Cultural Resources Grants and Trust Fund.