

# Department of Finance and Administration

## Legislative Impact Statement

**Bill: HB1304**

**Bill Subtitle: TO AMEND THE DEFINITION OF "ARKANSAS TEACHER RETIREMENT SYSTEM"; TO DEFINE "COVERED EMPLOYER"; TO PROVIDE TAX EXEMPT STATUS TO CERTAIN CORPORATIONS; TO AMEND THE REQUIREMENTS FOR VOLUNTARY RETIREMENT; AND TO DECLARE AN EMERGENCY.**

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### **Basic Change :**

**Sponsor: Representative Maddox**

The proposal would amend Arkansas law regarding the Arkansas Teacher Retirement System. The bill would amend the definition of "Arkansas Teacher Retirement System" to include limited liability companies and corporations solely owned by the retirement system. The tax status of solely-owned limited liability companies and corporations of the retirement system would be the same as the retirement system itself and be exempt from the levy of taxes on assets owned by the organizations. The bill would also provide an exemption from taxation for the retirement system, its limited liability companies and corporations of real property transfer taxes, revenue recording stamps, or other fees levied by the state or local governments in Arkansas when the organizations acquired or sold real property.

### **Revenue Impact :**

None.

### **Taxpayer Impact :**

The Arkansas Teacher Retirement System as well as its solely-owned limited liability companies and corporations would not pay real estate transfer tax or county recording fees if real properties were bought or sold.

### **Resources Required :**

None.

### **Time Required :**

Adequate time is provided for implementation.

### **Procedural Changes :**

None.

### **Other Comments :**

None.

### **Legal Analysis :**

This bill amends the definition of Arkansas Teacher Retirement System ("ATRS") to include corporate entities solely-owned by the ATRS. HB1304 expands the assets of ATRS to include a corporate entity

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solely owned by ATRS and clarifies that ATRS' exemption from taxes includes "real estate property transfer taxes, revenue recording stamps, or other fees by the state, any political subdivision, or an agency thereof."

HB1304 contains the following typographical errors:

Page 1 – Line 27 – The Arkansas Teacher Retirement System is referred to as the "Arkansas Retirement Teacher System".

Page 2 – Lines 33-37 – These lines state, "The ~~percentages~~ multipliers in this section shall be determined in accordance with ~~this chapter and the, rules, and regulations~~ resolutions of the Board of Trustees of the Arkansas Teacher Retirement System[.]" It is possible that this sentence was intended to state, "The ~~percentages~~ multipliers in this section shall be determined in accordance with ~~rules and regulations~~ this chapter and the rules and resolutions of the Board of Trustees of the Arkansas Teacher Retirement System[.]"

Page 3 – Line 36 – It appears as though this line should state, "~~the provisions of this act~~ this chapter to be paid into the registry of the court".