

Department of Finance and Administration

Legislative Impact Statement

Bill: SB683

Bill Subtitle: TO PROVIDE FOR AN ARKANSAS PLAN PORTAL.

Basic Change :

Sponsors: Sen. K. Hammer and Rep. Warren

SB683 directs the Treasurer of the State to establish a web-based portal to be known as the Arkansas Plan Portal (Portal). The purpose of the Portal is to facilitate communication between small businesses and investment advisors located in their area.

An "investment advisor" is defined as a person that, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or that, for compensation and as a part of a regular business, issues or promulgates analyses or reports concerning securities. A "small business" is defined as a business enterprise with fewer than 500 employees and less than \$80,000,000 in gross sales or receipts, including a sole proprietorship.

SB683 requires the Treasurer of the State to:

- Create the Arkansas Plan Portal to allow for the exchange of information between small businesses and investment advisors;
- Partner with the Department of Finance and Administration (DFA) to create a list of contact information for each employer in Arkansas, including sole proprietorships;
- Report bi-annually on the usage of the portal and the connections made through the portal to the House and Senate State Agencies committees and the Joint Committee on Public Retirement; and
- Create and update a small business listing and an investment advisor listing.

SB683 requires that information concerning a small business be sent to a state-sponsored retirement financial planning option if the small business does not connect with an appropriate investment advisor through the portal within a certain time-frame.

SB683 requires the Treasurer to create the Portal within six months of the effective date of the act.

Revenue Impact :

No impact to State General Revenue.

Taxpayer Impact :

DFA would be responsible for coordinating with the State Treasurer to prepare a list of contact information for each employer in Arkansas. It is unclear if the bill intends for confidential taxpayer information to be shared with the State Treasurer or other third parties.

Resources Required :

Computer programs and procedures manuals would be needed to administer the program. The State Treasurer would be required to establish and maintain the Portal. Initial startup costs for the Treasurer

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as well as additional staffing costs, if any, are undetermined.

Time Required :

Adequate time is provided for implementation.

Procedural Changes :

DFA would need to create and maintain a listing of every employer in Arkansas including sole proprietorships.

Other Comments :

None.

Legal Analysis :

SB683 requires DFA to partner with the Treasurer of the State to create a listing with the contact information of each employer in the state. It is unclear what information is to be included in the list or how the list is to be utilized.

SB683's requirement that DFA create a list of employers in the state may require DFA to share confidential taxpayer information. § 26-18-303, which governs the confidentiality of state tax records, states that "[t]hese records and files and any information obtained from these records or files or from any examination or inspection of the premises or property of any taxpayer shall not be divulged or disclosed by the Secretary of the Department of Finance and Administration or any other person who may have obtained these records and files." The creation of the list does not appear to fall under one of the listed exceptions.

DFA would likely have to rely on federal tax information (FTI) provided to DFA by the Internal Revenue Service (IRS) in order to create the list of employers. Use of FTI to create the list would violate DFA's agreement with the IRS regarding use of FTI.