

Department of Finance and Administration

Legislative Impact Statement

Bill: HB1803

Bill Subtitle: TO AMEND PROPOSED REFERRED ACT 1 OF 1994, ALSO KNOWN AS THE ARKANSAS SOFT DRINK TAX PROPOSED REFERRED ACT; AND TO AUTHORIZE SOFT DRINK TAX REVENUES TO BE USED FOR SALARIES OF PUBLIC SCHOOL NURSES.

Basic Change :

Sponsor: Rep. J. Mayberry

HB1803 creates a School Nurse Salary Trust Fund. HB1803 provides that the first \$5,000,000 collected each year from the soft drink tax is to be deposited into the School Nurse Salary Trust Fund, with the remainder to be deposited into the Arkansas Medicaid Program Trust Fund. The Department of Education is to use the fund solely to contribute to the salaries of public school nurses in the state. Under current law, all soft drink tax collections are deposited into the Arkansas Medicaid Program Trust Fund.

HB1803 expires on July 1, 2025 unless extended by the General Assembly.

Revenue Impact :

Soft drink tax revenue collected in FY2022 was approximately \$41,000,000. HB1803 directs the first \$5,000,000 collected from the soft drink tax to the School Nurse Salary Trust Fund. The remaining funds are to be deposited into the Arkansas Medicaid Program Trust Fund.

Taxpayer Impact :

None.

Resources Required :

The Arkansas Integrated Revenue System (AIRS) will require programming at an estimated cost of \$8,000.00.

Time Required :

Adequate time is allowed for implementation.

Procedural Changes :

Creation of a new fund, the School Nurse Salary Fund, will be required on the books of the Treasurer of State, the Auditor of State, and Chief Fiscal Officer of the State. Changes to the distribution of the soft drink tax will be required to direct the first \$5,000,000 collected to the School Nurse Salary Fund.

Other Comments :

None.

Legal Analysis :

None.