

# Department of Finance and Administration

## Legislative Impact Statement

**Bill: SB 12 (3<sup>rd</sup> Extraordinary Session – 90<sup>th</sup> General Assembly)**  
**Bill Subtitle: TO INCREASE FUNDING FOR ARKANSAS HIGHWAYS**

---

### **Basic Change :**

Sen. Hickey and Rep. Douglas

The proposed bill provides additional funds for highway construction and maintenance. The additional funding is provided through the following provisions:

1. Provides a one-time transfer of \$40M to the State Highway Transportation Department Fund. These funds will be transferred from the Rainy Day Set-Aside Fund within the 90<sup>th</sup> Session Projects Account of the General Improvement Fund as authorized by section 3(a)(11) of Act 1147 of 2015. 100% of these funds will be available for use by the Arkansas Highway and Transportation Department. This one-time transfer shall occur during FY17.
2. Transfers \$1.5M in FY17 from investment earnings on funds held in the State Treasury to the State Highway and Transportation Department Fund. 100% of these funds will be available for use by the Arkansas Highway and Transportation Department.
3. For FY17, the proceeds from the ½% sales and use tax levied by Amendment 91 of the Arkansas Constitution shall not be subject to a deduction for the Constitutional Officers Fund and the State Central Services Fund. Instead, the funds that would have otherwise been deducted will instead be distributed in the same manner as all other collections under the sales tax levied by Amendment 91.

The bill also requires that during FY17, the Arkansas State Highway and Transportation Department shall report its activities to the Senate Committee on Public Transportation, Technology, and Legislative Affairs and the House Committee on Public Transportation. This report shall be made every other month during FY17.

### **Revenue Impact :**

#### **Additional Highway Revenues – FY2017 - \$49.9M**

- Investment Earnings \$ 1.5M
- Act 1147 Transfer \$ 40.0M
- ½% Sales Tax (Am. 91) \$ 8.4M (Subject to 70/15/15 distribution – \$5.9M to AHTD and \$1.25M to both the County Aid Fund and the Municipal Aid Fund)

### **Taxpayer Impact :**

None

### **Resources Required :**

None

### **Time Required :**

None

### **Procedural Changes :**

None

### **Other Comments :**

None