

# Department of Finance and Administration

## Legislative Impact Statement

**Bill: SB185**

**Amendment Number: H1**

**Bill Subtitle: TO AMEND THE APPOINTMENT PROCEDURE FOR THE TAX APPEALS COMMISSION TO PROVIDE FOR THE FILLING OF VACANCIES ON THE COMMISSION; AND TO DECLARE AN EMERGENCY.**

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### Basic Change :

**Sponsors: Sen. B. Johnson and Rep. Eaves**

**House Amendment No. 1** --- SB185-H1 (engrossed H3/08/23) makes changes to the appointment procedure for the Tax Appeals Commission. Currently, the Governor appoints the Chief Commissioner from a pool of individuals nominated by the Supreme Court. To be eligible, a nominee must be licensed as both an attorney *and* a certified public accountant (CPA). SB185-H1 allows the Supreme Court to nominate and the Governor to appoint a Chief Commissioner that is either a licensed attorney or a CPA. It also allows the Governor to appoint the Chief Commissioner from any of the three pools of nominees or to appoint an individual not nominated in one of the three pools but that otherwise meets the qualifications to be a commissioner. The Governor, under SB185-H1, may change the designation of Chief Commissioner at any time.

**Original Bill** --- Act 586 of 2021 created the Independent Tax Appeals Commission Act at § 26-18-1101, et seq. SB185 amends the Governor's authority to appoint commissioners to the Tax Appeals Commission. The Commission consists of three commissioners who are appointed by the Governor. The Governor appoints one commissioner from each of three different pools of candidates. The candidate pools are nominated by the Arkansas Supreme Court, the Arkansas Bar Association, and the Arkansas Society of Certified Public Accountants. The individuals nominated by each nominating group must meet different criteria to qualify for the nomination.

Currently, the Governor must appoint a candidate from each pool and cannot appoint an individual to the Commission unless the individual is nominated by one of the nominating groups. SB185 permits the Governor to appoint an individual to the Commission who is not nominated by one of the nominating groups, if the individual otherwise meets the criteria to qualify for nomination by that group. The Governor is authorized to appoint a commissioner outside of the nominated pools of candidates to serve a full term or to fulfill a vacancy.

SB185 requires the Governor, in the event of a vacancy in the Chief Commissioner position, to appoint one of the existing commissioners to serve as Chief Commissioner until a new Chief Commissioner is appointed.

SB185 contains an emergency clause and will be effective on the date of its approval by the Governor; the expiration of the period of time during which the Governor may veto the bill; or the date the last house overrides the veto.

### Revenue Impact :

None.

### Taxpayer Impact :

None.

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**Resources Required :**

None.

**Time Required :**

None.

**Procedural Changes :**

None.

**Other Comments :**

None.

**Legal Analysis :**

None.