

Stricken language will be deleted and underlined language will be added.
Act 1005 of the Regular Session

State of Arkansas
92nd General Assembly
Regular Session, 2019

As Engrossed: H4/5/19
A Bill

HOUSE BILL 1106

By: Joint Budget Committee

For An Act To Be Entitled

AN ACT TO MAKE AN APPROPRIATION FOR PERSONAL SERVICES
AND OPERATING EXPENSES FOR THE DEPARTMENT OF FINANCE
AND ADMINISTRATION - REVENUE SERVICES DIVISION FOR
THE FISCAL YEAR ENDING JUNE 30, 2020; AND FOR OTHER
PURPOSES.

Subtitle

AN ACT FOR THE DEPARTMENT OF FINANCE AND
ADMINISTRATION - REVENUE SERVICES
DIVISION APPROPRIATION FOR THE 2019-2020
FISCAL YEAR.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. REGULAR SALARIES. There is hereby established for the
Department of Finance and Administration - Revenue Services Division for the
2019-2020 fiscal year, the following maximum number of regular employees.

Item No.	Class Code	Title	Maximum No. of Employees	Maximum Annual Salary Rate Fiscal Year 2019-2020
(1)	N003N	DFA DEP DIR AND COMMR OF REVENUE	1	GRADE SE03
(2)	N037N	DFA DRIVER LICENSE ADMINISTRATOR	1	GRADE SE02
(3)	N035N	DFA MOTOR VEHICLE ADMINISTRATOR	1	GRADE SE02
(4)	N004N	DFA REV ASST COMMR POLICY & LEGAL	1	GRADE SE02
(5)	G002N	DFA REVENUE CHIEF COUNSEL	1	GRADE SE02



(6)	N030N DFA STATE REVENUE OFFICE ADMIN	1	GRADE SE02
(7)	N029N DFA TAX ADMINISTRATOR	2	GRADE SE02
(8)	N028N DFA TAX AUDIT ADMINISTRATOR	1	GRADE SE02
(9)	A003C DFA REVENUE ASSISTANT ADMINISTRATOR	12	GRADE GS14
(10)	A006C DFA REVENUE TAX DIVISION MANAGER	10	GRADE GS13
(11)	G025C ATTORNEY SUPERVISOR	3	GRADE GS12
(12)	G024C DEPARTMENT ADMINISTRATIVE LAW JUDGE	1	GRADE GS12
(13)	G047C ATTORNEY SPECIALIST	14	GRADE GS11
(14)	G044C DFA REV PROBLEM RESOLUTION OFFICER	2	GRADE GS11
(15)	A033C TAX AUDITOR SUPERVISOR	30	GRADE GS11
(16)	G045C DFA DIVISION MANAGER III	2	GRADE GS09
(17)	T106C DFA REVENUE SECURITY SUPERVISOR	1	GRADE GS09
(18)	A054C TAX AUDITOR II	189	GRADE GS09
(19)	A082C ACCOUNTANT II	1	GRADE GS08
(20)	G084C DFA DIVISION MANAGER II	6	GRADE GS08
(21)	A089C ACCOUNTANT I	1	GRADE GS07
(22)	G133C DFA DIVISION MANAGER I	17	GRADE GS07
(23)	A049C DFA REVENUE OFFICE DISTRICT MANAGER	5	GRADE GS07
(24)	T032C DFA REVENUE SECURITY COORDINATOR	4	GRADE GS07
(25)	A059C TAX AUDITOR	1	GRADE GS07
(26)	C037C ADMINISTRATIVE ANALYST	3	GRADE GS06
(27)	A077C DFA LOCAL REVENUE OFFICE MANAGER	54	GRADE GS06
(28)	A074C FISCAL SUPPORT SUPERVISOR	5	GRADE GS06
(29)	C029C HEARING OFFICER	26	GRADE GS06
(30)	G179C LEGAL SERVICES SPECIALIST	1	GRADE GS06
(31)	S017C MAINTENANCE COORDINATOR	1	GRADE GS06
(32)	P027C PUBLIC INFORMATION SPECIALIST	1	GRADE GS06
(33)	S041C BOILER OPERATOR	7	GRADE GS05
(34)	A094C DFA LOCAL REVENUE OFFICE SUPERVISOR	88	GRADE GS05
(35)	A069C DFA REV OFFICE ASST DISTRICT MANAGER	5	GRADE GS05
(36)	C042C DFA REVENUE SUPERVISOR	30	GRADE GS05
(37)	A091C FISCAL SUPPORT ANALYST	23	GRADE GS05
(38)	R032C HUMAN RESOURCES PROGRAM REP	1	GRADE GS05
(39)	V015C PURCHASING SPECIALIST	2	GRADE GS05
(40)	C056C ADMINISTRATIVE SPECIALIST III	12	GRADE GS04
(41)	C048C DFA SUPERVISOR	94	GRADE GS04

(42)	A098C FISCAL SUPPORT SPECIALIST	6	GRADE GS04
(43)	C046C LEGAL SUPPORT SPECIALIST	8	GRADE GS04
(44)	C073C ADMINISTRATIVE SPECIALIST II	28	GRADE GS03
(45)	C059C DFA SERVICE REPRESENTATIVE	711	GRADE GS03
(46)	X172C TAX INVESTIGATOR	34	GRADE GS03
(47)	C076C DFA TECHNICIAN	69	GRADE GS02
(48)	S084C INSTITUTIONAL SERVICES SUPERVISOR	1	GRADE GS02
(49)	S087C INSTITUTIONAL SERVICES ASSISTANT	<u>10</u>	GRADE GS01
	MAX. NO. OF EMPLOYEES	1,528	

SECTION 2. EXTRA HELP - REVENUE SERVICES DIVISION. There is hereby authorized, for the Department of Finance and Administration - Revenue Services Division for the 2019-2020 fiscal year, the following maximum number of part-time or temporary employees, to be known as "Extra Help", payable from funds appropriated herein for such purposes: one hundred (100) temporary or part-time employees, when needed, at rates of pay not to exceed those provided in the Uniform Classification and Compensation Act, or its successor, or this act for the appropriate classification.

SECTION 3. APPROPRIATION - REVENUE SERVICES DIVISION - OPERATIONS. There is hereby appropriated, to the Department of Finance and Administration - Revenue Services Division, to be payable from the State Central Services Fund, for personal services and operating expenses of the Department of Finance and Administration - Revenue Services Division for the fiscal year ending June 30, 2020, the following:

ITEM	FISCAL YEAR
<u>NO.</u>	<u>2019-2020</u>
(01) REGULAR SALARIES	\$55,685,851
(02) EXTRA HELP	300,000
(03) PERSONAL SERVICES MATCHING	20,400,690
(04) OVERTIME	45,000
(05) MAINT. & GEN. OPERATION	
(A) OPER. EXPENSE	29,000,000
(B) CONF. & TRAVEL	90,000
(C) PROF. FEES	100,000

(D) CAP. OUTLAY	600,000
(E) DATA PROC.	<u>0</u>
TOTAL AMOUNT APPROPRIATED	<u><u>\$106,221,541</u></u>

SECTION 4. APPROPRIATION - COMMERCIAL DRIVERS LICENSE PROGRAM. There is hereby appropriated, to the Department of Finance and Administration - Revenue Services Division, to be payable from the Commercial Driver License Fund, for personal services and operating expenses of the Department of Finance and Administration - Revenue Services Division - Commercial Drivers License Program for the fiscal year ending June 30, 2020, the following:

ITEM NO.	FISCAL YEAR 2019-2020
(01) REGULAR SALARIES	\$282,311
(02) PERSONAL SERVICES MATCHING	115,557
(03) MAINT. & GEN. OPERATION	
(A) OPER. EXPENSE	4,352,352
(B) CONF. & TRAVEL	0
(C) PROF. FEES	0
(D) CAP. OUTLAY	0
(E) DATA PROC.	<u>0</u>
TOTAL AMOUNT APPROPRIATED	<u><u>\$4,750,220</u></u>

SECTION 5. APPROPRIATION - INDIVIDUAL INCOME TAX AND AD VALOREM PROPERTY TAX REBATES. There is hereby appropriated, to the Department of Finance and Administration - Revenue Services Division, to be payable from the Individual Income Tax Withholding Fund, for the purpose of making individual income tax refunds of taxes withheld under the provisions of Arkansas Code beginning at 26-51-901 and property tax rebates under Amendment 79 of the Arkansas Constitution for the fiscal year ending June 30, 2020, the following:

ITEM NO.	FISCAL YEAR 2019-2020
(01) INDIVIDUAL INCOME TAX & AD VALOREM PROPERTY TAX REBATES -	

REFUND/REIMBURSEMENTS \$780,000,000

SECTION 6. APPROPRIATION - CORPORATE INCOME TAX. There is hereby appropriated, to the Department of Finance and Administration - Revenue Services Division, to be payable from the Corporate Income Tax Withholding Fund, for the purpose of making corporate income tax refunds of taxes withheld under the provisions of Arkansas Code 26-51-901 for the fiscal year ending June 30, 2020, the following:

ITEM NO.	FISCAL YEAR 2019-2020
(01) CORPORATE INCOME TAX - REFUND/REIMBURSEMENTS	<u>\$200,000,000</u>

SECTION 7. APPROPRIATION - GASOLINE TAX REFUNDS. There is hereby appropriated, to the Department of Finance and Administration - Revenue Services Division, to be payable from the Gasoline Tax Refund Fund, for paying the valid gasoline tax refund claims of agricultural users and bus drivers in the manner and to the extent provided by law for the fiscal year ending June 30, 2020, the following:

ITEM NO.	FISCAL YEAR 2019-2020
(01) GASOLINE TAX REFUND CLAIMS	<u>\$1,500,000</u>

SECTION 8. APPROPRIATION - INTERSTATE MOTOR FUEL TAX REFUNDS. There is hereby appropriated, to the Department of Finance and Administration - Revenue Services Division, to be payable from the Interstate Motor Fuel Tax Refund Fund, for paying refunds to interstate users of motor fuels and special motor fuels as authorized by law for the fiscal year ending June 30, 2020, the following:

ITEM NO.	FISCAL YEAR 2019-2020
(01) INTERSTATE MOTOR FUEL TAX - REFUND/REIMBURSEMENTS	<u>\$20,000,000</u>

SECTION 9. APPROPRIATION - MISCELLANEOUS TAX REFUNDS. There is hereby appropriated, to the Department of Finance and Administration - Revenue Services Division, to be payable from the Miscellaneous Revolving Fund, for making refunds of taxes erroneously paid and for refunds of the gross receipts taxes paid upon tickets to athletic events pursuant to Arkansas Code 26-52-412 and for other purposes as authorized by law for the fiscal year ending June 30, 2020, the following:

ITEM	FISCAL YEAR
<u>NO.</u>	<u>2019-2020</u>
(01) MISCELLANEOUS TAX - REFUND/REIMBURSEMENTS	<u>\$260,000,000</u>

SECTION 10. APPROPRIATION - SPECIAL PLATES. There is hereby appropriated, to the Department of Finance and Administration - Revenue Services Division, to be payable from the cash fund deposited in the State Treasury as determined by the Chief Fiscal Officer of the State, for administrative and operating expenses of disbursing the Motor Vehicle Special License Plates fees to the proper entities for the fiscal year ending June 30, 2020, the following:

ITEM	FISCAL YEAR
<u>NO.</u>	<u>2019-2020</u>
(01) MV SPECIAL PLATES-ADMINISTRATIVE & OPERATING EXPENSES	<u>\$4,000,000</u>

SECTION 11. APPROPRIATION - REVENUE MISCELLANEOUS CASH. There is hereby appropriated, to the Department of Finance and Administration - Revenue Services Division, to be payable from the cash fund deposited in the State Treasury as determined by the Chief Fiscal Officer of the State, for distribution of fees and service charges collected on behalf of other entities and for other purposes as authorized by law for the fiscal year ending June 30, 2020, the following:

ITEM	FISCAL YEAR
------	-------------

<u>NO.</u>	<u>2019-2020</u>
(01) DISTRIBUTION OF FEES / SERVICE CHARGES	<u>\$24,000,000</u>

SECTION 12. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. APPROPRIATION TRANSFERS. The Director of the Department of Finance and Administration is authorized to transfer appropriation between refund line item appropriations in this Act. The Director of the Department of Finance and Administration shall immediately report any such transfers to the Arkansas Legislative Council or Joint Budget Committee. Such report shall contain the amounts transferred and the reasons for the same.

The provisions of this section shall be in effect only from July 1, ~~2018~~ 2019 through June 30, ~~2019~~ 2020.

SECTION 13. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. EXTRA HELP EXEMPTION. Extra Help positions authorized herein are specifically exempt from limitation of hours, either by act or regulation. Provided, however, when a temporary or part-time employee is employed by the Department of Finance and Administration - Revenue Services Division for a period of time exceeding seven (7) months, a report of such shall be filed with the Arkansas Legislative Council or Joint Budget Committee.

The provisions of this section shall be in effect only from July 1, ~~2018~~ 2019 through June 30, ~~2019~~ 2020.

SECTION 14. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. AUTHORITY TO EMPLOY CERTIFIED LAW ENFORCEMENT OFFICERS. The Director of the Department of Finance and Administration is authorized to employ certified law enforcement officers and specialized police personnel as certified under § 12-9-101 et seq. The certified law enforcement officers and specialized police personnel employed under this section shall be responsible for maintaining order and providing for the security, protection, and safety of the Department of Finance and Administration buildings, grounds, property, employees and customers. The certified law enforcement officer shall have the powers, duties, privileges, and immunities of a certified law enforcement

officer.

The following two classifications shall be used by the agency for security, protection, and safety personnel:

Item No.	Class Code	Title	Maximum	Salary Rate
			No. of Employees	Fiscal Year
(1)	T106C	DFA REVENUE SECURITY SUPERVISOR	1	GRADE GS09
(2)	T032C	DFA REVENUE SECURITY COORDINATOR	<u>4</u>	GRADE GS07
		MAX. NO. OF EMPLOYEES	5	

Department of Finance and Administration Alcoholic Beverage Control Enforcement Division will manage training and certification of the certified law enforcement officers and specialized police personnel and maintain all required documentation.

The provisions of this section shall be in effect only from July 1, ~~2018~~ 2019 through June 30, ~~2019~~ 2020.

SECTION 15. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW.

CONTINGENT POSITIONS. There is hereby established for the Department of Finance and Administration - Revenue Division - Contingent Positions for the ~~2018-2019~~ 2019-2020 fiscal year, the following maximum number of regular employees whose salaries shall be governed by the provisions of the Uniform Classification and Compensation Act (Arkansas Code § 21-5-201 et seq.), or its successor, and all laws amendatory thereto. All persons occupying positions authorized herein are hereby governed by the provisions of the Regular Salaries Procedures and Restrictions Act (Arkansas Code § 21-5-101), or its successor.

CONTINGENT POSITIONS – DATA ENTRY

ITEM NO.	CLASS CODE	TITLE	MAXIMUM	Salary Rate
			No. of Employees	Fiscal Year
(1)	C042C	DFA REVENUE SUPERVISOR	2	GRADE GS05
(2)	C059C	DFA SERVICE REPRESENTATIVE	8	GRADE GS03
(3)	C076C	DFA TECHNICIAN	<u>40</u>	GRADE GS02
		MAX CONTINGENT EMPLOYEES	50	

If it has been determined by the Director of the Department of Finance and Administration that the Department cannot continue a contract with a private provider and the Director deems it necessary to utilize Department staff to provide the required services, the Department is allowed, after seeking prior review by the Arkansas Legislative Council or Joint Budget Committee, to utilize the contingent positions for data entry contained in this Section and make the appropriate transfers from the various Maintenance and Operations, Professional Fees and Services or Data Processing line items contained in the Revenue Services Division - Operations Appropriation Section of this Act to Regular Salaries and Personal Services Matching.

The provisions of this section shall be in effect only from July 1, ~~2018~~ 2019 through June 30, ~~2019~~ 2020.

SECTION 16. SPECIAL LANGUAGE. NOT TO BE INCORPORATED INTO THE ARKANSAS CODE NOR PUBLISHED SEPARATELY AS SPECIAL, LOCAL AND TEMPORARY LAW. TAXATION OF CANDY AND SOFT DRINKS.

(a) The Director of the Department of Finance and Administration shall either:

(1)(A) By July 1, 2018, publish a list of the Universal Product Codes for items that meet the definition of:

(i) A candy under § 26-52-103(3) or § 26-53-102(3);

and

(ii) A soft drink under § 26-52-103(28) or § 26-53-102(22).

(B) The list published by the director under subdivision (a)(1)(A) of this section shall provide guidance to retailers, sellers, and vendors regarding which items are defined as a candy or a soft drink but not defined as food and food ingredients under the Arkansas Gross Receipts Act of 1941, § 26-52-101 et seq., or the Arkansas Compensating Tax Act of 1949, § 26-53-101 et seq.

(C) The list published by the director under subdivision (a)(1)(A) of this section is exempt from the Arkansas Administrative Procedure Act, § 25-15-201 et seq; or

(2) Not subject a retailer, seller, or vendor to the penalties under § 26-18-201, § 26-18-202, § 26-18-208, § 26-18-209, § 26-52-512, or § 26-53-125 if the retailer, seller, or vendor:

(A) Collects and remits tax payments to the Department of Finance and Administration on the gross receipts and gross proceeds derived from the sale of items that meet the definition of:

(i) A candy under § 26-52-103(3) or § 26-53-102(3) at the taxable rate for food and food ingredients under § 26-52-317 or § 26-53-145; or

(ii) A soft drink under § 26-52-103(28) or § 26-53-102(22) at the taxable rate for food and food ingredients under § 26-52-317 or § 26-53-145; and

(B) Demonstrates a good faith effort to collect and remit tax payments to the department on the gross receipts and gross proceeds derived from the sale of items that meet the definition of:

(i) A candy under § 26-52-103(3) or § 26-53-102(3) at the taxable rate under § 26-52-301, § 26-52-302, § 26-53-106, or § 26-53-107; or

(ii) A soft drink under § 26-52-103(28) or § 26-53-102(22) at the taxable rate under § 26-52-301, § 26-52-302, § 26-53-106, or § 26-53-107.

(b) This section is effective until September 30, 2019.

SECTION 17. COMPLIANCE WITH OTHER LAWS. Disbursement of funds authorized by this act shall be limited to the appropriation for such agency and funds made available by law for the support of such appropriations; and the restrictions of the State Procurement Law, the General Accounting and Budgetary Procedures Law, the Revenue Stabilization Law, the Regular Salary Procedures and Restrictions Act, or their successors, and other fiscal control laws of this State, where applicable, and regulations promulgated by the Department of Finance and Administration, as authorized by law, shall be strictly complied with in disbursement of said funds.

SECTION 18. LEGISLATIVE INTENT. It is the intent of the General Assembly that any funds disbursed under the authority of the appropriations contained in this act shall be in compliance with the stated reasons for which this act was adopted, as evidenced by the Agency Requests, Executive Recommendations and Legislative Recommendations contained in the budget manuals prepared by the Department of Finance and Administration, letters, or

summarized oral testimony in the official minutes of the Arkansas Legislative Council or Joint Budget Committee which relate to its passage and adoption.

SECTION 19. EMERGENCY CLAUSE. It is found and determined by the General Assembly, that the Constitution of the State of Arkansas prohibits the appropriation of funds for more than a one (1) year period; that the effectiveness of this Act on July 1, 2019 is essential to the operation of the agency for which the appropriations in this Act are provided, and that in the event of an extension of the legislative session, the delay in the effective date of this Act beyond July 1, 2019 could work irreparable harm upon the proper administration and provision of essential governmental programs. Therefore, an emergency is hereby declared to exist and this Act being necessary for the immediate preservation of the public peace, health and safety shall be in full force and effect from and after July 1, 2019.

/s/ Joint Budget Committee

APPROVED: 4/15/19