



Daily Legislative Update

92nd General Assembly

Monday, January 14, 2019

LEGISLATIVE SESSION BEGINS TODAY

The 92nd Arkansas General Assembly convenes at noon today. Members will take the Oath of Office and both chambers will establish they are open for business. In the House, Speaker Matthew Shepherd will announce not just the Committee Chairs and Co-chairs, but the entire membership of the House Committees. A rule change approved by the House in the 2017 Session, authorized the Speaker to appoint all committee members instead of just the committee leaders.

Tomorrow at 10:30 a.m., the House and Senate will convene in a Joint Session, which will include an address by Governor Asa Hutchinson.

LEGISLATIVE PREVIEW

In an early December address to the Fort Smith Chamber of Commerce's First Friday breakfast, State Chamber/AIA President & CEO Randy Zook provided a preview of the 2019 Session. He said the main focus will be on four Ts—teachers, taxes, transportation and transformation. "As far as the economy goes, things are very healthy."

"We have 3.5% unemployment statewide. ... That's the good news." On the flip side, Arkansas' workforce is declining with a steady number of people retiring. In order to replenish that workforce, Arkansas needs to recruit more people to the state by making it more compelling and attractive to business and workers.

"Teachers' pay is a lay-down. It's just something we've got to do. (Gov. Asa Hutchinson's) goal is to raise the minimum starting salary for K-12 teachers in Arkansas to \$36,000 a year. It's at about (\$31,000) now. It's a pretty dramatic increase. It will give us the highest starting pay for teachers in the touch-state region. That's a big deal. It's expensive obviously, but it's going to be phased in over several years," Zook said.

Taxes are more challenging, according to Zook, who said that when the state starts to reduce taxes it can have a short-term effect of reducing revenue in an already tight budget. "His (the governor's) goal is to reduce the highest marginal tax rate from the current 6.9% down to something with a five, hopefully, at least 5.9, but again over several years," Zook said. "We have the highest marginal tax rate on income in the touch-state region. So we are out of step. We are not competitive."

Zook then moved on to transportation and highway funding, noting that while no one wants to see higher taxes at the gas pumps, something has to happen in order to pay for the 16,000 miles of state highways in Arkansas. "We have one of the largest highway systems in the country. We have more state highway mileage than the State of California does," Zook said. "Here we are, the State of

Arkansas, with only 3 million people trying to maintain and support more than 16,000 miles of state highways. It's costly." Zook said the highway department is expected to ask for \$475 million of additional highway money in order to take care of the state's highway needs

The final step in the "four T's" Zook discussed Friday was transformation, which will be a reorganization of state government. The governor has 42 direct reports from state agencies and boards that answer to him. He wants to shrink that number to 15 direct reports. "If he were to spend just one hour a week with each one, that's a full-time job," Zook said. "The idea would be to carve those direct reports to the governor down to about 15 with a lot of agencies being shuffled around. There are opportunities to reduce operation costs in many of these state agencies," he said. "It's time. It's overdue. He's got a great team helping him put that together. It's going to take a lot of legislation, as you can imagine, to change."

STATE CHAMBER/AIA 2019 LEGISLATIVE AGENDA and BILL SCORING

You can review our 2019 Legislative Agenda by clicking this link:

<https://arkansasstatechamber-my.sharepoint.com/:b:/p/khall/EaL12Jp74lNJs5oLpIGDXw8BMAKxeaisr7hcr0VSIEIFRg?e=afChNW>

The agenda was developed through a series of State Chamber/AIA Committee meetings last fall, reviewed by our Board of Directors and approved at our Annual Meeting on November 14, 2018. We plan to file bills or support bills related to issues in the Priority Issues section of the Agenda.

For the first time in our history, we scored votes on 37 bills in the 2017 Legislative Session. We used the scoring to identify our Business Matters Legislative Leadership Award winners and presented the awards to 60 House members and 27 Senators in or near their district. Also, the scoring was a factor in our PAC contribution decisions. We are grateful and delighted to receive such strong support of our issues.

We plan to score votes from the 2019 Session. We will definitely score votes on bills that address issues in the Priority Section of our Legislative Agenda. Also, any business related bill that we express advocacy about in this Daily Legislative Update will most likely also be included in our scoring.

STATE CHAMBER/AIA TRACKED BILLS

The House prefiled 144 bills and the Senate 74 bills. We added 39 bills to our tracking list. You can view our list of tracked bills by clicking:

https://arkansasstatechamber-my.sharepoint.com/:w:/p/khall/EaW1UqhgTiNCurP_KxHFz4sBjPC-6PcftcShWyaSqBTPHA?e=FMCbub

LEGISLATIVE RULE CHANGE

SCR 1 and **HR 1001** propose a change to the Senate and House Rules that would be a significant change to the legislative session. In each Resolution, the historic language that requires all bills to be filed on or before the 55th session day is stricken. Removing the bill filing deadline should eliminate the overwhelming number of bills that are typically filed on the bill filing deadline day. It is not unusual to see 400, 500 or more bills filed on the deadline day, many of which are "shell" bills that contain no language but can be amended later. Keeping up with such a large number of bills filed on one day is very difficult. Keeping track of the amendments to the shell bills is even more of a challenge.

STATE CHAMBER/AIA LEGISLATIVE RECEPTION 4:30 P.M. JANUARY 22

Please make plans to join us on January 22 for our State Chamber/AIA Legislative Reception, presented by Cox Communications, Southland Gaming and Racing, Stephens Inc., Walmart and XTO Energy. The reception will begin at 4:30 p.m. under the big tent in the State Chamber/AIA's north parking lot at 1200 W. Capitol Ave. in Little Rock. This event will be attended by many state legislators, constitutional officers, state officials, State Chamber/AIA member representatives, Leadership Arkansas alumni and others.

LEGISLATIVE INFORMATION

Republicans hold the majority in both chambers. In the Senate, there are 26 Republicans and 9 Democrats. While in the House, there are 76 Republicans and 24 Democrats.

Here are links to rosters that shows the number of years served by Senators out of the current 16 year term limit maximum and the House shows the total number of 2-year terms served by each Member.

Senate Seniority Roster:

<https://arkansasstatechamber-my.sharepoint.com/:b:/p/khall/EfGo4GtvlodMrklwPfEEvkkBnCf9pX8IZb3DpTmjpfnSpA?e=wZBMpg>

House Seniority Roster:

https://arkansasstatechamber-my.sharepoint.com/:b:/p/khall/EstWliKJ3K1GI8SFUoWEKu4B8Z9hdOmHWpzTRPpPj_JSSw?e=cTyden

LEGISLATIVE SESSION INFORMATION

To view schedules, calendars, bill information and legislator information, visit: www.arkleg.state.ar.us.

Legislative Message Center

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Senate: 501-682-2902

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