



Daily Legislative Update

92nd General Assembly

Thursday, January 31, 2019 – Session Day 18

TODAY AT THE CAPITOL

The House will convene at 11:00 a.m. and the Senate at 11:30 a.m.

Legislative Calendar: www.arkleg.state.ar.us

SCIENCE OF READING LITERACY

SB 153 by Sen. Jane English and Rep. Sonia Barker would require public school districts and open-enrollment public charter schools to include a literacy plan in the school-level improvement plan that complies with established standards and incorporates an approved list of sources to be identified by 2020. It received a Do Pass recommendation yesterday by the Senate Education Committee and is on this morning's Senate Calendar.

The State Chamber/AIA supports this bill and endorses it as its own bill. Please ask your legislators to vote FOR SB 153.

YESTERDAY AT THE CAPITOL

TAX REDUCTIONS

SB 211 by Sen. Jonathan Dismang and Rep. Joe Jett was filed yesterday afternoon. It is the Governor's plan for his third step in reducing income taxes. His first two steps were implemented in the 2015 and 2017 Legislative Sessions, which addressed low and middle income wage earners.

State Chamber/AIA President & CEO, Randy Zook said, "This bill will be an important step to make Arkansas's tax structure more competitive and attractive for investment and job growth." The State Chamber/AIA supports this tax cut plan.

The plan announced yesterday is a scaled down version of the 2%-4%-5.9% plan that the Tax Reform and Relief Legislative Task Force had recommended. Essentially it retains Arkansas's unique three-bracket-schedules individual tax system and reforms the tax brackets only for the high-income bracket schedule. The 5.9% plan comes with a much-reduced fiscal impact: a \$97 million reduction in revenue instead of a \$192 million reduction.

In calculating a person's income tax, the state applies different rates to different parts of the person's income. In the current upper-income tax table for people who make more than \$80,500 a year, the state levies:

- A 0.9 percent rate for income between zero and \$4,599.
- 2.5 percent on income between \$4,600 and \$9,099.
- 3.5 percent on income between \$9,100 and \$13,699.
- 4.5 percent on income between \$13,700 and \$22,499.
- 6 percent on income between \$22,500 and \$37,699.

- 6.9 percent on income of \$37,700 and above.

In the latest proposal, the rates for that same level of income would be:

- 2 percent on income between zero and \$4,000.
- 4 percent on income between \$4,000 and \$8,000.
- 5.9 percent rate on income above \$8,000.

Senate President Pro Tem Jim Hendren said the Senate will be consider the bill next week.

For more details, here are three excellent reports about **SB 211**'s tax cut plan:

Matt Boch, Dover Dixon Horne Tax Blog:

https://arkansasstatechamber-my.sharepoint.com/:w:/p/khall/EXM_neuBP_FAokaWjAopJPoBgRqs4M-iK22LEGDkhsiCFA?e=XRRYIK

Mike Wickline, *Arkansas Democrat-Gazette*:

https://arkansasstatechamber-my.sharepoint.com/:w:/p/khall/EUA_4-CosyNGp9Uu27hEqecB-KDO8JTad8B2GyUO0lpUaA?e=qVQk8L

Wesley Brown, *Talk Business & Politics*:

https://arkansasstatechamber-my.sharepoint.com/:w:/p/khall/ETUfoYSa2wVEhULdUWQzn_IBIQ79p4Pn-yAl1fZe1aApeQ?e=KqjBIN

BILLS WE ARE WORKING ON

MINIMUM WAGE

Our attorneys have concluded their work on this issue and a bill is being drafted that might get filed today. If not, it will be filed next week.

If you have identified the impact of the minimum wage increase to your business, please send us a written report. These will be very helpful as we discuss potential legislation to mitigate the impact of the minimum wage increase with legislators.

Earlier this month our President & CEO, Randy Zook, published an op-ed in *Arkansas Money & Politics* entitled **The False Promise of Minimum Wage**. Here's a link to the article on our website:

<https://www.arkansasstatechamber.com/news-publications/news-releases/the-false-promise-of-minimum-wage/>

SB 115 by Sen. Bob Ballinger and Rep. Frances Cavanaugh would create an exemption to the Minimum Wage Act for employers with fewer than 50 employees, employers that are schools or institutions of higher education and 501(c)(3) nonprofits. The sponsors are holding this bill until we have our suggestions completed.

BILLS TO WATCH

LICENSING AND REGULATION BILLS

HB 1301 and **HB 1303** by Rep. Bruce Cozart, co-chairman of the Red Tape Reduction Working Group, were filed yesterday.

HB 1301 would require professional licensing boards and other entities to adopt the least restrictive requirements for reciprocal licensing of persons who hold relevant licenses in other states, through issuance of temporary one-year licenses. It would also allow for occupational licensing entities to grant one-year temporary licenses if the individual holds a previous or current licensing in another state. It has been assigned to the House Public Health Committee.

HB 1303 would create a basis for occupational licensing entities to waive a person's disqualification or revocation of licensure when based on a criminal background check. It requires occupational education programs to establish criteria for checks. It provides that former criminal convictions may be waived in the consideration of revoking or issuing an occupational license when requested by the applicant or individual with a license subject to revocation. It also outlines, without limitation, the criteria for consideration when waiving a criminal offense in order to waive revocation of an occupational license. Finally, it would require all applicants for any occupational licensure to undergo state and federal background checks but allows for occupational licensing entities to establish criteria for related requirements. It has been assigned to the House Public Health Committee.

Here's a quick review of most of the bills related to occupational licensing:

HB 1296 by Rep. Austin McCollum would prohibit suspension or revocation of an occupational license for defaulting or having delinquent payments or satisfaction of student loans or scholarships.

SB 171 would create a seven-member Occupational Licensing Sunrise and Sunset Commission appointed by the Governor to review all legislation relating to licensure requirements, unregulated occupations inconsistent with the public health and safety and other similar matters.

SB 175 would permit an occupational licensing entity to waive disqualification or revocation of a license for offenses in the Arkansas Code upon the request of listed parties who meet enumerated criteria.

Other bills: **SB 172**-Social Workers, **SB 178**-Athletic Trainers, **SB 189**-Advanced Practice Nurses, **SB 190**-Genetic Counselors, **HB 1264**-Veterinary supervision of chiropractic animal care, **HB 1265**-full independent practice authority to certain nurses, **HB 1271**-Real estate course deadline, **HB 1276**-Duties of Real Estate Commission, **HB 1282**-Advanced Practice Nurses' prescription authority and **HB 1283**-Registered Nurse Anesthetists.

If you see any bill that impacts your business, please review it and let us know if you have any concerns or see anything that might need to be amended.

PROCUREMENT RULES

The handful of bills related to procurement laws are on today's agenda in the Senate State Agencies Committee. In addition to general changes to the procurement laws, the following specific changes are included in the bills:

HB 1161 by Rep. Jim Dotson and Sen. Scott Flipppo adds procedures and requirements for service contracts.

HB 1162 by Rep. Jim Dotson and Sen. Scott Flipppo adds contract review procedures and requires contractors to ensure compliance with this revised law in cooperation with state agencies.

HB 1179 by Rep. Jeff Wardlaw and Sen. Scott Flipppo relates to aggrieved bidders and the process for protesting solicitations and awards. It also seeks to require the State Procurement Director to create a written delegation order when delegating authority.

HB 1180 by Rep. Jeff Wardlaw and Sen. Scott Flipppo prioritizes opportunities for awarding mandatory state contracts under cooperative purchasing agreements.

HB 1181 by Rep. Jeff Wardlaw and Sen. Scott Flipppo seeks to prohibit firms that have an existing state contract under which it has demonstrated poor material performance from submitting additional bids.

Click this link to read a summary of the Committee hearing on these bills by the *Arkansas Democrat Gazette*:
<https://arkansasstatechamber-my.sharepoint.com/:w:/p/khall/EUiNORaTG3pDvfXf3TZsP2EBwiwGrcUBxqo7T6kki1Ywqg?e=MedmkU>

MEDICAL MARIJUANA

HB 1150 by Rep. Doug House seeks to greatly expand the list of qualifying medical conditions to use medical marijuana. Some of the proposed additional conditions are: asthma, attention deficit disorder, attention deficit hyperactivity disorder, chronic insomnia, complex regional pain syndrome Type I and Type II, general anxiety disorder, migraine, post-concussion syndrome and restless leg syndrome.

STATE CHAMBER/AIA TRACKED BILLS

The House filed 22 bills yesterday to bring their total to 318 bills. Senators filed 12 bills yesterday and their total is now 211 bills. We added 13 bills to our tracking and are now tracking 145 bills and resolutions.

Click this link to see the new bills added to our tracking: <https://arkansasstatechamber-my.sharepoint.com/:w:/p/khall/EY7gZiXqYvVPnO5Ab-6w8vwBja8dHQGYhNzbyMv35-SS6A?e=G0vI0Q>

All bills we are tracking are posted on our website by category, click this link: <https://www.arkansasstatechamber.com/governmental-affairs/legislative-tracking/>

LEGISLATIVE SESSION INFORMATION

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

Legislative Message Center

House of Representatives: 501-682-6211

Senate: 501-682-2902

State Chamber/AIA 2019 Legislative Agenda

To review our 2019 Legislative Agenda, click this link: <https://arkansasstatechamber-my.sharepoint.com/:b:/p/khall/EaL12Jp74INJs5oLpIGDXw8BMAKxeaisr7hcr0VSIEIFRg?e=afChNW>

The House and Senate now both have live streaming of their business. Links to the live stream are on their webpages.

House: <https://www.arkansashouse.org/>

Senate: <http://www.arkansas.gov/senate/>

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