



**Daily Legislative Update**  
**92<sup>nd</sup> General Assembly**  
**Tuesday, February 12, 2019 – Session Day 30**

**TODAY AT THE CAPITOL**

The Senate will convene at 1 p.m. and the House at 1:30 p.m. this afternoon.  
Legislative Calendar: [www.arkleg.state.ar.us](http://www.arkleg.state.ar.us)

**\* \* \* CALL TO ACTION \* \* \***

**TAX REDUCTIONS**

**SB 211** by Sen. Jonathan Dismang and Rep. Joe Jett will be considered this morning in the House Revenue & Taxation Committee. This is the Governor's plan to reduce the top income tax rate from 6.9% to 6.6% effective January 1, 2020, then to 5.9% effective January 1, 2021.

**The State Chamber/AIA supports SB 211, please ask your State Representative to vote FOR SB 211.**

**YESTERDAY AT THE CAPITOL**

**HIGHWAYS**

Governor Hutchinson hosted a press conference in which he announced his plan to fund a highway plan. Lance Turner of Talk Business & Politics reported the press conference as follows:

*Gov. Asa Hutchinson and legislative leaders on Monday unveiled a \$300 million per year plan to maintain Arkansas' roads and bridges — one billed as the largest single highway proposal in the state's history.*

*The bulk of the plan — a permanent extension of an existing half-cent sales tax for highways — would be up to Arkansas voters. Legislators must vote to refer the matter to the November 2020 ballot. The tax, enacted in 2012 and now set to expire in 2023, raises \$205 million per year.*

*The remaining \$95 million would come from a mix of sources that legislators must approve:*

- An indexed tax hike on gasoline (3 cents per gallon) and diesel (6 cents per gallon) that would raise \$58 million per year.*
- New registration fees on electric and hybrid vehicles that would raise \$1.9 million per year.*
- Tax revenue from Arkansas' new casino gaming centers that would raise at least \$35 million per year.*

*In addition to primary road maintenance, the governor said the plan in its first 10 years would be able to provide money for bridge replacements, maintenance for secondary roads, safety improvements, interstate maintenance and new lane capacity.*

*The Republican governor said the plan is "the top-dollar" amount that Arkansas can afford.*

Here's are links to news stories about yesterday's press conference and the highway plan.

Arkansas Democrat-Gazette: [https://www.arkansasonline.com/news/2019/feb/12/958m-supports-upkeep-of-roads-20190212/?utm\\_medium=email&utm\\_campaign=morning-2-12-19&utm\\_content=morning-2-12-19+CID\\_1a02461abfe8eff3494c0c58bdb3024d&utm\\_source=Email%20Marketing%20Platform&utm\\_term=RELATED%20958M%20in%20taxes%20fees%20supports%20upkeep%20of%20Arkansas%20roads](https://www.arkansasonline.com/news/2019/feb/12/958m-supports-upkeep-of-roads-20190212/?utm_medium=email&utm_campaign=morning-2-12-19&utm_content=morning-2-12-19+CID_1a02461abfe8eff3494c0c58bdb3024d&utm_source=Email%20Marketing%20Platform&utm_term=RELATED%20958M%20in%20taxes%20fees%20supports%20upkeep%20of%20Arkansas%20roads)

Talk Business & Politics: <https://talkbusiness.net/2019/02/governor-proposes-300-million-highway-funding-plan/>

## SCIENCE OF READING LITERACY

**SB 153** by Sen. Jane English and Rep. Sonia Barker has been signed into law as Act 83 of 2019. This Act requires 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.

## TODAY AT THE CAPITOL - BILLS WE SUPPORT

### VOCATIONAL AREA FUNDING

**SB 135** by Sen. Kim Hammer and Rep. Bruce Cozart is on this morning's agenda in the House Education Committee. It seeks to change funding for secondary vocational area centers from a per-student multiplier of \$3,250 to a tiered funding structure. It also sets forth requirements for the Department of Career Education to promulgate rules for the tiered funding structure distributing aid for each full-time equivalent student. Please ask you State Representative to vote FOR SB 135.

### ECONOMIC DEVELOPMENT BILLS

**SB 226** by Sen. Mat Pitsch is on this morning's agenda in the House Revenue & Taxation Committee. This bill makes changes to the income tax credit for donations or sales of machinery and equipment to certain educational institutions. Specifically it makes provisions for cash donations for the purchase of new machinery or equipment.

**SB 196** by Sen. Keith Ingram and Rep. Robin Lundstrum is on this morning's agenda in the House Revenue & Taxation Committee. This bill seeks to define the location of opportunity zones, for the purpose of computing Arkansas income tax liability, as a population census tract that is designated in federal law as a qualified opportunity zone as of January 1, 2019.

**SB 151** By Sen. Missy Irvin, Rep. Michelle Gray and others, is on this morning's agenda in the House Public Health Welfare and Labor Committee. This bill creates the UAMS National Cancer Institute Designation Fund to be funded by private grants and other sources and used by the Rockefeller Cancer Institute at UAMS to achieve and maintain status as a National Cancer Institute (NCI)-Designated Cancer Center. It suggests the recruitment of an expert cancer researcher, nationally recognized medical professionals and a stream of funding between \$10-\$20 million to achieve the NCI status. The bill sunsets by 2027 if NCI status has not been achieved.

## PENDING BILLS WE SUPPORT

### TEACHER PAY INCREASE

**HB 1145** by Rep. Bruce Cozart is the Governor's bill to increase teacher pay. It awaits consideration in the Senate Education Committee. It creates the Teacher Salary Enhancement Act, which increases the amounts of teachers' compensation based on education level and experience for 2019-2021 and extends the pay increases from 2022-2023.

**SB 225** by Sen. Mat Pitsch and Rep. Carlton Wing awaits consideration in the House Agriculture, Forestry & Economic Development Committee. This bill seeks to make various changes to the operations of the Arkansas

Economic Development Council and Arkansas Economic Development Commission, including assistance to rural communities and agencies, support of women-owned and minority-owned businesses, etc. It would authorize the council to dissolve committees and subcommittees as needed.

## **BILLS WE OPPOSE**

### **FOIA EXPANSION**

**SB 231** by Sen. Kim Hammer seeks to redefine public records and the Freedom of Information Act to extend to a private entity expending a minimum of 20 percent of its time, resources and efforts in support of a government entity. It is on this morning's agenda in the Senate State Agencies Committee.

### **NIGHT SKY PROTECTION**

**HB 1309** by Rep. Stephen Meeks is on today's agenda in the House Public Health, Welfare and Labor Committee. It would create the Nighttime Environment Protection Act to regulate outdoor night lighting fixtures. It would also establish cost and other considerations for a state agency, public corporation, county, or municipality to use public funds to operate, maintain, install, or cause to be installed, shielded outdoor lighting in new or replacement outdoor lighting fixtures.

### **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.

## **BILLS OF INTEREST**

### **MULTI AGENCY RULE MAKING**

**HB 1302** by Rep. Bruce Cozart passed the House yesterday 96 to 0. The bill provides for proposed state agency rules resulting from legislation that affects multiple agencies to be grouped together for purposes of providing notice, holding joint hearings, and moving the rules through the legislative review process. Provides that enacted legislation regarding the adopting, amending, or repealing of rules for multiple state agencies on a similar subject matter may be reviewed as a whole by the Legislative Council, the council's Administrative Rules and Regulations Subcommittee or the Joint Budget Committee, after which they are required to provide a combined notice of the changes reviewed. Agencies may hold a joint public hearing on the content reviewed in cases required by law

## **BILLS TO WATCH**

### **LOCAL ZONING**

**SB 170** by Sen. Bart Hester and Rep. Bruce Cozart seeks to place restrictions on counties and municipalities regarding residential building design regulations in designated locations, subject to safety codes or other state or federal laws. The bill was approved in the Senate Wednesday by a vote of 23 to 11. During the Senate presentation of the bill, the sponsor said the Municipal League is working on an amendment that can be considered in the House.

### **LICENSING AND REGULATION**

**HB 1060** by Rep. Roger Lynch would implement requirements for continuing education for heating, ventilation, air conditioning and refrigeration licensees, providing that all applications after July 1, 2020 must be accompanied by proof of completion of mandated courses. It would charge the HVACR Licensing Board with establishing the continuing education program and promulgating rules and guidelines for its administration by Dec. 31, 2019. This is an industry supported bill.

## NEW BILLS

### UNEMPLOYMENT INSURANCE – STATE CHAMBER/AIA PRIORITY ISSUE

**SB 298** by Sen. Kim Hammer and Rep. Robin Lundstrum is a bill produced by the Department of Workforce Services (DWS) and is part of our Legislative Agenda for the 2019 Session. This bill adjusts the amount of wages paid by employers that is subject to the unemployment insurance tax, by calculating adjusted amounts according to unemployment statistics and the fund balance of the unemployment insurance trust fund. Such an indexing of the wage base is something we have contemplated for many years and are excited to see it finally up for consideration.

The design of the indexing by DWS is just brilliant. If the law were in effect today, the wage base would drop from \$10,000 to \$8,000. It is possible, that by the time the law goes into effect, the insured unemployment number used in the indexing, could reduce the wage base to \$7,000, which is the federally enforced minimum.

A bill we had filed in 2017 reduced the wage base from \$12,000 to \$10,000. DWS reports that change produced \$43 million in annual savings to employers. Based upon this history, if **SB 298** would save Arkansas employers another \$40 to \$50 million annually!

### STATE AGENCY RULE MAKING

**HB 1431** by Rep. Jim Dotson and Sen. Kim Hammer would amend the interpretation of state agency rulemaking authority and the legislative review process for those rules. Includes the Arkansas Public Service Commission, the Arkansas Pollution Control and Ecology Commission, the Workers' Compensation Commission, and the Department of Workforce Services in the definition of "agency" for purposes of legislative review of rules and regulations. It would also require agencies that determine a newly enacted law requires the amendment or repeal of a rule without providing a date to file the with the Secretary of State by January 1 of the following year or 180 days following the adjournment of a special session. Finally, it declares the rulemaking authority of the Arkansas State Game and Fish Commission, State Highway Commission, Arkansas Department of Transportation and an institution of higher education to be limited if the Legislative Council adopts a rule including those agencies, commissions, or institutions in § 10-3-309(f).

### STATE CHAMBER/AIA TRACKED BILLS

In the Senate, 21 bills and resolutions were filed yesterday. Senators have now filed 306 bills. House members filed 13 have now filed 431 bills. We added 18 bills and resolutions to our tracking, which bring our total to 222 bills and resolutions.

The new bills we added to our tracking can be viewed by clicking this link: <https://arkansasstatechamber-my.sharepoint.com/:w:/p/khall/EemMUxAqfJxAoOhWST1tD6oBHdpbzQY5bgyejRNxr02BTg?e=4iSbcb>

All bills we are tracking are posted on our website, by category, and can be reviewed by clicking 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](http://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://www.arkansasstatechamber.com/wp-content/uploads/2019/01/AR-StateChamberAIA-2019-Legislative-Agenda.pdf>

## Live Streaming from the Capitol

The House and Senate have links to live streaming of their committee meetings and floor session on their webpage.

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

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

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