



**Daily Legislative Update**  
**92<sup>nd</sup> General Assembly**  
**Wednesday, February 13, 2019 – Session Day 31**

**TODAY AT THE CAPITOL**

The Senate will convene at 1 p.m. and the House at 1:30 p.m. this afternoon.

Today is the deadline to file Joint Resolutions that seek to be refer Constitutional Amendments to the 2020 General Election ballot. The Legislature is limited to three general referrals.

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 received a Do Pass recommendation by the House Revenue & Taxation Committee yesterday morning by a vote of 15 to 2. 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.

Arkansas State Chamber of Commerce/AIA president and chief executive officer, Randy Zook, testified in support of the bill. The Arkansas Democrat-Gazette summarized Zook’s testimony:

*... Zook told the House committee, “We support it 100 percent.” Most businesses in Arkansas are pass-through organizations such as liability corporations and profits, and taxes on those profits, flow directly to the owners’ individual returns, he said. “This will alleviate the tax burden for many businesses in Arkansas,” Zook said. “Most relatively small and growing businesses, the ones that we want to thrive and do well and hire more people and invest more capital, etc., and grow” will benefit from the cut. “All of this adds up to a more competitive state that will be more attractive to investors, business owners, companies that are looking to locate and expand and grow and serve our people and serve our markets and serve the rest of world with products made and exported from Arkansas, so this is a good thing for the business climate in Arkansas,” he said.*

In regard to when **SB 211** might be considered on the House floor, Talk Business & Politics reported the following comments by House Speaker Matthew Shepherd:

*House Speaker Matthew Shepherd, R-El Dorado, said he looked forward to placing SB 211 on the House calendar for floor debate by this Thursday or early next week. The Speaker also told reporters there is still work to do to marshal the three-fourths votes to approve the tax cut bill in the House, which is split by a 76-24 GOP supermajority. “It is going to be a pretty tight vote,” Shepherd told reporters after the committee hearing. “It is a very fluid situation, but I think the fact that it came out of committee with really strong support I think that sends a message too. “Now I will go back and look at our vote count and hopefully this gives us a better opportunity now that we got it down to the (House) end. There is just one hurdle left for us,” said Shepherd, one of four SB 211 co-sponsors along with Jett, Dismang and Senate President Jim Hendren, R-Sulphur Springs.*

**Please ask your State Representative to vote FOR SB 211.**

Here are links to the full news articles about yesterday's committee hearing:

Talk Business & Politics: <https://talkbusiness.net/2019/02/house-panel-adopts-hutchinsons-97-million-tax-cut-plan-heads-to-chamber-floor/>

Arkansas Democrat-Gazette: <http://digital.olivesoftware.com/Olive/ODN/ArDemocrat/default.aspx?olv-cache-ver=20190130022630>

## **TODAY AT THE CAPITOL**

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

**SB 298** by Sen. Kim Hammer and Rep. Robin Lundstrum is on this morning's agenda in the Senate Public Health, Welfare and Labor Committee, and is expected to be considered. This bill was 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.

Indexing the wage base is something we have contemplated for many years. We consulted with DWS over the past few months and the indexing design by DWS in this bill is 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" (percentage of workers drawing unemployment insurance) 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 adopted, **SB 298** would save Arkansas employers another \$40 to \$50 million annually!

## **YESTERDAY AT THE CAPITOL**

### **Bills We Support**

#### **VOCATIONAL AREA FUNDING**

**SB 135** by Sen. Kim Hammer and Rep. Bruce Cozart received a Do Pass recommendation by 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**.

#### **UAMS NATIONAL CANCER INSTITUTE DESIGNATION**

**SB 151** By Sen. Missy Irvin, Rep. Michelle Gray and others received a Do Pass recommendation by 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

## **TODAY AT THE CAPITOL**

### **Bills We Support**

#### **TEACHER PAY INCREASE**

**HB 1145** by Rep. Bruce Cozart is the Governor's bill to increase teacher pay. It is on this morning's agenda 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.

## **ECONOMIC DEVELOPMENT**

**SB 225** by Sen. Mat Pitsch and Rep. Carlton Wing is on this morning's agenda 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**

### **MEDICAL MARIJUANA**

**HB 1150** by Rep. Doug House is on today's agenda in the House Rules Committee. The bill 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.

## **PENDING BILLS WE SUPPORT**

### **ECONOMIC DEVELOPMENT BILLS**

**SB 226** by Sen. Mat Pitsch is on Thursday'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 Thursday'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.

## **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 was not considered yesterday but is on Thursday's agenda in the Senate State Agencies Committee.

## **NIGHT SKY PROTECTION**

**HB 1309** by Rep. Stephen Meeks is on Thursday'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.

## **BILLS OF INTEREST**

### **MULTI AGENCY RULE MAKING**

**HB 1302** by Rep. Bruce Cozart is on Thursday's agenda in the Senate State Agencies Committee. 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 is on this morning's agenda in the House City, County and Local Affairs Committee. It 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. Many local chambers join others with concerns about the bill. We understand an amendment or amendments may be under development.

### **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.

## **STATE CHAMBER/AIA TRACKED BILLS**

In the Senate, 11 bills and resolutions were filed yesterday. Senators have now filed 313 bills. House members filed 11 bills yesterday and have now filed 442 bills. We added 9 bills and resolutions to our tracking, which brings our total to 231 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/EdAh2h0tzMJMtTf3BAhTlSIBmQj670qLPvoYERQFGEZSsw?e=fnKeSE>

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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