



Daily Legislative Update
92nd General Assembly
Thursday, February 14, 2019 – Session Day 32

TODAY AT THE CAPITOL

The Senate will convene at 11:30 a.m. and the House at 1:00 p.m.
Legislative Calendar: www.arkleg.state.ar.us

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

INCOME TAX REDUCTIONS

SB 211 by Sen. Jonathan Dismang and Rep. Joe Jett is on this afternoon's House Calendar. 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.

We believe this bill's tax cut will alleviate the tax burden for many businesses in Arkansas, particularly small and growing businesses, which are the ones that we want to thrive and do well, hire more people and invest more capital. **SB 211** will make Arkansas a more competitive state that will be more attractive to investors, business owners, companies looking to locate, expand, grow and serve our people, our markets and the rest of world with products made and exported from Arkansas. This is a good thing for the business climate in Arkansas.

Please ask your State Representative to vote FOR SB 211.

VOCATIONAL AREA FUNDING

SB 135 by Sen. Kim Hammer and Rep. Bruce Cozart is on this afternoon's House Calendar. 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 your State Representative to vote FOR SB 135.**

TODAY AT THE CAPITOL

Bills We Support

UAMS NATIONAL CANCER INSTITUTE DESIGNATION

SB 151 By Sen. Missy Irvin, Rep. Michelle Gray and others is on this afternoon's House Calendar. 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.

TEACHER PAY INCREASE

HB 1145 by Rep. Bruce Cozart is the Governor's plan to increase teacher pay. It received a Do Pass recommendation yesterday from the Senate Education Committee and is on this morning's Senate Calendar. 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 226 by Sen. Mat Pitsch is on today'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.

OPPORTUNITY ZONES

SB 196 by Sen. Keith Ingram and Rep. Robin Lundstrum is on today'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

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.

YESTERDAY AT THE CAPITOL

Bills We Support

UNEMPLOYMENT INSURANCE – STATE CHAMBER/AIA PRIORITY ISSUE

SB 298 by Sen. Kim Hammer and Rep. Robin Lundstrum received a Do Pass recommendation yesterday afternoon from the Senate Public Health, Welfare and Labor Committee. This bill, developed by the Department of Workforce Services (DWS), 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. If it was 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 wage base could be reduced 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!

ECONOMIC DEVELOPMENT

SB 225 by Sen. Mat Pitsch and Rep. Carlton Wing received a Do Pass recommendation yesterday from 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 did not get a motion yesterday from the House Rules Committee. The bill sought to greatly expand the list of qualifying medical conditions to use medical marijuana. Some of the proposed additional conditions would have been: 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.

NEW BILLS

CONSTITUTIONAL AMENDMENT PROPOSALS

Yesterday was the filing deadline for Joint Resolutions that seek referral of a Constitutional Amendment to the 2020 General Election Ballot. Senators filed eight and House members filed 23 new Joint Resolutions.

The total number of Joint Resolutions filed this session is 44, 16 in the Senate and 28 in the House.

To review a list of all Joint Resolutions proposing changes to the Constitution click:

https://arkansasstatechamber-my.sharepoint.com/:w:/p/khall/ESKkD4s92exOmQc4FZitD7UBHIKHWP8W9yvV1iYZG_el-g?e=q2cu0h

BALLOT INITIATIVE REFORM - STATE CHAMBER/AIA PRIORITY ISSUE

SJR 10 and HJR 1008 by Sen. Mathew Pitsch and Rep. DeAnn Vaught are identical measures that we helped develop. They seek to amend the constitution to revise the process for ballot petitions. It repeals the 30-day signature cure period, moves the filing deadline for initiatives and signatures to January 15 and sets a deadline to file legal challenges on April 15, both dates in the General Election year. It also increases the vote majority required by the Legislature to make amendment referrals from a simple majority to a 3/5ths (60%) majority and increases the number of counties from which a set number of signatures are required from 15 counties to 3/5ths of the counties (45).

MOTION PICTURE INCENTIVES

HB 1461 by Rep. Carlton Wing and Sen. Mathew Pitsch seeks to extend the Digital Product and Motion Picture Industry Development Act through 2029 and provides that the financial incentives are at the discretion of the Executive Director of the Economic Development Commission (AEDC). We support this bill which is part of the AEDC's legislative package.

DECEPTIVE TRADE PRACTICES

HB 1462 by Rep. Jimmy Gazaway provides that a person has a cause of action for actual damages or injury resulting from deceptive trade practices and may recover those damages and attorney's fees. It also removes the definition of actual financial loss as used for deceptive trade practices. We are reviewing this bill, but it appears to make it easier to win deceptive trade practices lawsuits, which we would oppose.

PENDING 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 awaits consideration in the Senate State Agencies Committee.

SPECIAL ELECTIONS

HB 1402 by Rep. Justin Gonzales and Sen. David Wallace would require any special elections in years with a preferential primary election or general election to be held on those election dates. It would also require special elections in off-cycle years to be held on the Tuesday next after the first Monday in May or the Tuesday after the first Monday in November. Additional provisions include; requires special elections be announced 75 days prior to election; provides exemptions for special elections to fill vacancies, special runoff elections, or emergency special elections; provides local boards that vote for a tax levy must be approved by voters in the next available election, and makes its effective date contingent upon sufficient funding.

BILLS OF INTEREST

MULTI AGENCY RULE MAKING

HB 1302 by Rep. Bruce Cozart is on today'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 was not considered in yesterday's 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, 14 bills and resolutions were filed yesterday. Senators have now filed 319 bills. House members filed 47 bills and resolutions yesterday and have now filed 466 bills. We added 42 bills and resolutions to our tracking, which brings our total to 277 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/EWZtwxNTfSdJqoSaYGHtqpgBckjaQmV5UEPzSequ2G8j8w?e=Z3JkqL>

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.

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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