



Daily Legislative Update

91st General Assembly

Tuesday, January 17, 2017 – Day 9

TODAY AT THE CAPITOL

Bills we are tracking are on the agendas in House Education, House Health, House Judiciary, Senate State Agencies and Senate Judiciary committees.

We are hearing from employers with concerns about **HB 1021 by Rep. Fred Love, D-Little Rock**, an equal pay bill that is on today's agenda in House Health Committee. See the brief information below and let us know if you would like to see the two reports we've received.

There are several bills in House Judiciary and Senate State Agencies committees that are troublesome in that they relate to campaign financing in a way that could take the business community out of future elections. We strongly support the continuance of corporate contributions to PACs.

Senate Judiciary Committee has two guns in the parking lot bills on its agenda. We have consistently supported the property owners' rights over those of the gun owners' rights.

To view today's schedules, committee agendas, bills and other information related to the Session, visit www.arkleg.state.ar.us.

STATE CHAMBER/AIA LEGISLATIVE RECEPTION TODAY

Our Annual Legislative Reception will begin this afternoon at 4:30 p.m. and continue until 6:30 p.m., under the big tent in our north parking lot at 1200 W. Capitol Ave. in Little Rock. We are grateful to our sponsors:

Presenting Sponsors:

Arkansas Learns, Cox Communications, Southland Gaming & Racing and Stephens

Premier Sponsors:

Electric Cooperatives of Arkansas, Delta Dental, Entergy, Walmart and XTO Energy

Host Sponsors:

AOG/Stephens Production, Arkadelphia REDA, Black Hills Energy, Farm Services Credit, Gerdau Special Steel, Community Health Centers of Arkansas, Nabholz, Southwestern Energy and Tyson Foods

Supporting Sponsors:

AEP/SWEPCO, Arkansas Beverage Association, Arkansas Farm Bureau, Cross County EDC and Great Lakes Solutions/Chemtura

All members of the General Assembly, Constitutional officers and many state officials have been invited to attend. This is an excellent opportunity for our members to connect with their State Legislators. ***Please join us!***

STATE CHAMBER/AIA PRIORITY BILLS

This week, we will begin the process of confirming sponsors for our priority bill package. We will attempt to then move the bills through the General Assembly with a systematic approach in approximately the following order:

Civil Justice – Work is underway to form a coalition that will push for a ballot referral to adjust the state’s civil justice laws in a way that will make us more competitive with states in our region. We also have a package of bills that will address some individual pieces of laws that impact employers.

Workers’ Compensation – With the closing of the Death and Permanent Total Disability Trust Fund in a Special Session last spring, our top priority is to provide some cost mitigation for employers who will become responsible for the entire cost of these type of claims after June 30, 2019. Our bill will seek to set a cap on the coverage of these claims, which replaces the employers’ cost exposure cap provided by the Trust Fund, and adopt some nationally based treatment guidelines for the worker’s comp cases.

Employers pay 100 percent of the cost of workers’ compensation, which costs employers approximately \$500 million annually.

Unemployment Insurance – The state has seen a dramatic turnaround in the Trust Fund that pays unemployment insurance claims, which is funded entirely by employers. The Fund went broke in 2009 and reached a maximum debt of \$360 million in 2010. The debt was paid off in 2014 and closed 2016 with approximately a \$500 million positive balance.

The UI Trust Fund debt triggered four automatic tax increases and we agreed to increase the wage base (amount of each employees wages the UI tax is applied to) from \$10,000 to \$12,000 in 2009.

With the Trust Fund balance now in very good shape, three of the four add-on taxes have gone away and we think it is time to return the wage base back to \$10,000. With an average UI tax rate of about 2.5 percent, the wage base reduction would save employers around \$50 per employee. We also plan to seek some additional adjustments in UI benefits.

Taxes – Governor Hutchinson is pushing an income tax decrease for low income Arkansans. We plan to seek tax cuts that will make Arkansas employers more competitive with surrounding states.

After accomplishing the removal of the sales taxes paid by certain manufacturers on their utility costs, we then moved to seek elimination of the sales taxes paid by all

manufacturers on their repair and replacement parts. A one cent reduction was accomplished in 2015 and we plan to seek a full phase-out of the tax in this session.

In 2015, we were successful in getting the legislature to pass a Tax Payer Fairness Act. For this session, we are developing a Property Tax Payer Fairness Act.

We will also have bills that will seek to adjust the state's net operating loss carry forward law and its throwback law. These are areas where our tax laws are out of step with many other states.

Employment Law – We will have a package of bills to address the impact of the marijuana amendment on employers, a modernization of the state's payment upon discharge laws, clarification of the laws that address compensation for employees' time while preparing for work, and how the statute of limitations applies to employers and employees.

Education – At a minimum, we plan to have bills that will address school board elections and third grade reading.

BILLS OF INTEREST

EQUAL PAY BILL

HB 1021, by Rep. Fred Love, D-Little Rock, is on this morning's agenda in the House Public Health, Welfare and Labor Committee.

Some initial concerns we've received from employment lawyers include:

- Several existing exemptions from the definition of employer have been removed
- Criminal liability has been added
- Existing employer safe harbors are removed
- Disallows any reliance on prior salary
- Increases the required number of years to retain records from three to five
- Adds a new retaliation section that creates new categories of protected activity
- Expands the reach of the National Labor Relations Act (NLRA)

We have two detailed reports on this bill's impact to employers.

STATE CHAMBER/AIA TRACKED BILLS

As of yesterday, the House had filed 168 bills and the Senate 125 bills. We added no bills to our tracking and are now tracking 68 bills.

To view a list of bills added to our tracking yesterday, click [here](#).

Our entire list of tracked bills is posted on our website by category, which you can access by clicking [here](#).

LEGISLATIVE SESSION INFORMATION AND MESSAGE CENTER

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

House of Representatives: 501-682-6211

Senate: 501-682-2902

State Chamber/AIA Governmental Affairs Team:

Randy Zook, President/CEO:

rzook@arkansasstatechamber.com

Kenny Hall, Executive Vice President:

khall@arkansasstatechamber.com

Andrew Parker, Director of Governmental Affairs:

aparker@arkansasstatechamber.com

Holly Wilson, Director of Governmental Affairs:

hwilson@arkansasstatechamber.com

Toni Bahn, Director of Governmental Affairs:

tbahn@arkansasstatechamber.com

State Chamber/AIA phone: (501) 372-2222

State Chamber/AIA web site: www.arkansasstatechamber.com

To unsubscribe to *Daily Legislative Updates*, please e-mail Deb Mathis at dmathis@arkansasstatechamber.com and write "unsubscribe" in the subject box.

The Daily Legislative Update is written by Kenny Hall. It is edited and distributed by Jeff Thatcher.



1200 W. Capitol Ave., P.O. Box 3645
Little Rock, AR 72203-3645

501-372-2222
FAX 372-2722
