



Daily Legislative Update

91st General Assembly

Thursday, January 19, 2017 – Day 11

TODAY AT THE CAPITOL

The Senate will convene at 9:00 a.m.; no Senate Committees are scheduled.

The House Education, Judiciary, Tax and Health Committees will meet at 10 a.m. and the House will convene at 1:30 p.m.

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

BILLS OF INTEREST

HB 1159 by Rep. Matt Pitsch, R-Fort Smith, and Sen. Jim Hendren, R-Gravette, is the House version of Governor Hutchinson's income tax cut and is identical to SB 115, which is described below.

YESTERDAY AT THE CAPITOL GOVERNOR'S INCOME TAX CUT ADVANCED

SB 115 by Sen. Jim Hendren, R-Gravette, and Rep. Matt Pitsch, R-Fort Smith, received a Do Pass recommendation yesterday by the Senate Tax Committee. This bill, which is part of Governor Hutchinson's plan to reduce the income tax for all Arkansans, would reduce the income taxes paid by those making less than \$21,000 per year. The bill also forms a Blue Ribbon task force to review and recommend further tax cuts prior to the 2019 Legislative Session. The bill is expected to be considered by the full Senate next week.

MARIJUANA BILLS

HB 1026 by Rep. Doug House, R-North Little Rock, and HB 1058 by Rep. House and Sen. Missy Irvin, R-Mountain View, were given Do Pass recommendations by the Senate Public Health, Welfare & Labor Committee, just a day after being approved by the House.

HB 1026 extends the 120-day deadline for promulgating rules to govern medical marijuana to 180 days and extends the deadline for accepting dispensary applications from June 1 to July 1, 2017, which is the beginning of the 2017-18 fiscal year.

HB 1058 excludes medical marijuana registry ID card application records and dispensary records from being considered medical records, exempts such records from FOIA and repeals the benefit-risk analysis required when a physician is making a written certification.

STATE CHAMBER/AIA BILL TRACKING

NEW BILLS

SB 140 by Sen. Jake Files, R-Fort Smith, and Rep. Charlotte Douglas, R-Van Buren, requires certain high-volume merchants selling tangible personal property, products transferred electronically, or services for delivery into Arkansas that do not have a physical presence in this state to remit sales tax to the state and follow all procedures and requirements of law as if they had a physical presence in the state. It also sets the volume at which the sales tax will apply to a merchant with no physical presence at those whose gross revenue from sales in the state exceeds \$100,000 or those who reach 200 separate transactions for products or services within the state. (Co-Sponsors: Sens. Dismang, Teague, Sample, Rapert) (Revenue & Taxation)

HB 1035 by Rep. Mary Bentley, R-Perryville, along with 39 House members and six Senators requires the Department of Human Services (DHS) to allow Supplemental Nutrition Assistance Program (SNAP) beneficiaries to use their electronic benefits transfer (EBT) cards only for “foods, food products, and beverages that have sufficient nutritional value.”

This bill was given a Do Pass recommendation by the House Public Health, Welfare and Labor Committee yesterday by a vote of 12 yes, 6 no with 2 abstained. After receiving multiple contacts from our members with concerns about this bill, we have added it to our tracking as a bill to oppose. The theory of the bill may be good, but the implementation could be a nightmare for state government and many businesses.

The Arkansas Grocers & Retail Merchants Association (AGRMA) is opposed to HB 1035. Their director testified about concerns that businesses near a state line could lose business as customers shopped across the border where they could purchase what they wanted. A major retail member of AGRMA and ours is opposed to the bill but did not testify in the Committee hearing.

A retail business operator with 13 grocery stores testified that the consumer food industry contains about 300,000 individually labeled food items, making implementation a challenge for grocers. Each individual food item would have to be analyzed and a database compiled. Questions would arise as to which foods were healthy and which weren't based on a variety of factors; a Diet Coke could pass muster because of its low-calorie count, while orange juice might not qualify. The grocer said each of his stores might have to upgrade register systems at a cost of \$100,000 per store. He said the bill would lead to longer wait times in line as customers paid for approved items with their EBT cards and for other items with cash, or replaced one unapproved item with an approved one. He said the bill doesn't address the number of state employees required to administer the system.

DHS would be required to identify which foods could be purchased through SNAP, formerly known as the food stamp program. To help make that determination, DHS would use federal guidelines for the Special Supplemental Food Program for Women, Infants and Children, which does limit which foods and beverages beneficiaries can obtain. The

state would be required to request a waiver from the Secretary of Agriculture to implement the program.

Wednesday, Rep. Bentley, said in an interview she will amend **HB 1035** and said the bill's intent was to exclude only junk foods, "not determine what foods are healthy and go through the whole gamut. It's going to be a very narrow list, and that's what we're after."

HB 1209 by Rep. Mark Lowrey, R-Maumelle, Sen. Eddie Joe Williams, R-Cabot, and 11 others is the Governor's plan for a new funding model for higher education. The bill would require the Higher Education Coordinating Board to adopt:

- a productivity based funding model for institutions of higher education
- requires a productivity-based funding model to be based on the priorities of completion of students' educational goals, affordability through on-time completion of programs of study, efficient allocation of resources, institutional collaboration, and production of students graduating in high-demand fields such as STEM fields
- requires the board to use this funding model as the mechanism for recommending funding for state-supported institutions of higher education
- repeals the previous funding model for institutions of higher education

TRACKED BILLS

The House has filed 222 bills and the Senate 142 bills. We added 10 bills to our tracking, which now totals 82 bills.

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

Our entire list of tracked bills are 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.

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