

ARKANSAS STATE CHAMBER OF COMMERCE ASSOCIATED INDUSTRIES OF ARKANSAS, INC.

2015 Arkansas Legislative Agenda

We are pleased to present the 2015 Legislative Agenda of the Arkansas State Chamber of Commerce and the Associated Industries of Arkansas, Inc., the voice of business in Arkansas. The State Chamber/AIA represents almost 1,300 businesses of all shapes and sizes from every county in Arkansas as well as most business associations, and works closely with local chambers of commerce and local economic developers. We encourage local chambers of commerce across the state to adopt as much of this agenda as possible.

Our chief concerns to help Arkansas be a better place to live, work and do business are:

- Developing and maintaining a capable and available workforce
 - Advancement of comprehensive education reform
- Achieving and maintaining a fair, equitable and competitive tax environment
- Maintaining our nationally competitive workers' compensation system
- Attaining a solvent Unemployment Insurance Trust Fund and a competitive UI system
- Making Arkansas's civil justice system nationally competitive

This agenda is a continuing document that is reviewed and advanced prior to every state legislative session through a series of State Chamber/AIA committee meetings, board review and executive committee action.

Because Arkansas's legislative sessions are usually fast-paced and require quick decisions by the lobbyists in the Capitol, this document serves as a guide to formulate positions on legislation that will impact the economic climate in Arkansas. When time allows, on issues of significant importance or when conflicts of business interests arise, the State Chamber/AIA Executive Committee will provide direction.

We look forward to the opportunity to address business and industry's concerns and challenges with members of the 90th General Assembly and ask for your support in helping Arkansas businesses create more jobs, invent new products and increase productivity.

MISSION

The Arkansas State Chamber of Commerce/Associated Industries of Arkansas is the leading voice for business at the State Capitol and serves as the primary business advocate on all issues affecting Arkansas employers. Our mission is to promote a pro-business, free-enterprise agenda and prevent anti-business legislation, regulations and rules.

PRIORITY ISSUES

During the 90th General Assembly the State Chamber/AIA's top priorities will be:

Tax Issues

- Strengthen the standing of taxpayers
 - Stop pay to play
 - Extend tax rebate period
 - Create even-handed statute of limitations
 - Equalize interest rates at amount not punitive
 - Create transparency in guidance and rulings
 - Reduce taxpayer burden of proof from clear and convincing to a preponderance of evidence
 - Allow attorney fees to be collected by successful tax challenges
- Seek a complete reduction in the sales tax on repairs and replacement of machinery and equipment used directly in manufacturing.
 - Eliminate requirement that manufacturers have a direct pay permit to take advantage of this tax reduction
- Seek complete reduction of the sales tax paid by power producers on electric generation
- Increase the net operating loss provisions
- Prohibit contingent fee audits
- Further expansion of sales tax reduction for manufacturers' utility costs

Workforce Development Issues

- Implement a coordinated, comprehensive structure for all workforce development efforts.
 - Put control in one central leadership team/executive
 - Create a globally competitive workforce that can take full advantage of career opportunities
- Fully fund state's share of career coaches in all schools
 - \$4 million in funding
 - Funding only available to those school districts that are interested in having a career coach and paying their half of the costs
- Require high school students to be administered a college and career readiness assessment and a Work Keys assessment
 - Provide acceptable uses of the assessment results

Workers' Compensation Issues

- Stop new claims from going into the Death and Permanent Disability Trust Fund
- Restore subrogation in workers' compensation cases

Unemployment Insurance Issues

- Assure Trust Fund solvency
 - Modify the calculation of weekly benefit amount
 - Address the partial unemployment insurance issue
 - Reduce the weeks of coverage from 25 to 20
 - Increase requalification period
 - Address solvency triggers

Environmental Business Regulatory Environment

- Appointment of an ADEQ Director who is willing to work with industry would likely avoid the need for legislation

- If ADEQ continues to be unresponsive to industry, these key areas should be addressed:
 - Address minerals standards
 - State's response to EPA 303d list of impaired streams
 - Develop expedited permit processing option
 - Review public notices procedures
 - Emission/nutrient trading and or banking
 - Properly address the State Water Plan

GENERAL ISSUES (listed alphabetically)

Civil Justice Reform

- Support advance of civil justice reform legislation that provides a fair and nationally competitive business environment.

Economic Development

- Support the Arkansas Economic Development Commission's legislative package as endorsed by the Arkansas Economic Developers and Arkansas Chamber of Commerce Executives.
- Support other legislation that will enhance economic development in Arkansas that is recommended by the Arkansas Economic Developers.
- Support proactive legislation that will attract and keep jobs in the State of Arkansas.
- Support legislation that encourages venture capital investment in Arkansas.

Energy and Environment

- We believe all energy policy decisions must be made based on facts and sound economic justification. Any changes in the state's environmental policy must balance environmental concerns with economic development concerns. Arkansas's families, businesses, schools and government agencies must have access to the energy necessary to keep our economy growing. This energy must be delivered at reasonable costs in order to ensure our competitiveness. Environmental policy should recognize that Arkansas businesses must be competitive nationally and globally. At the same time, Arkansas businesses should be good stewards of the environment and the energy supply by taking a balanced approach to the use of energy-efficient programs and technologies. Without this balance, consumers will bear the costs of both inefficient operations and overreaching government programs. Accordingly, the State Chamber/AIA Task Force on Energy will review and analyze environmental legislation proposed or filed in the 2015 Legislative Session and provide position recommendations to the staff and Executive Committee.
- Protect and promote the exploration, production and use of Arkansas's natural resources.
- Support the environmental legislative agenda developed by the Arkansas Environmental Federation (AEF) as approved by the State Chamber/AIA Executive Committee.
(The AEF was founded out of and continues the role as the State Chamber/AIA's environmental committee. The State Chamber/AIA Executive Vice President sits as an ex-officio member of the AEF board of directors.)

Health Care

- Monitor health care-related legislation and determine its impact on employers and respond accordingly.
- Identify reasonable efforts to address the continuing increases in health care costs to employers.

Immigration

- We view immigration as a federal issue and support comprehensive immigration reform.

Labor & Employment

- Oppose attempts to enact a Public Employee Collective Bargaining Act.
- Oppose legislation that requires public or private employers to withhold union dues from employee pay checks.
- Oppose any and all attempts to repeal, reverse or limit in any way the Arkansas Right-to-Work law.

Taxation

- Support legislation to extend the time allowed to obtain local sales and use tax refunds.
- Support legislation to reduce property taxes on manufacturing inventories.
- Support reduction or repeal of the capital gains tax rate.
- Limit the sales and use taxation of out-of-state services consistent with the Streamlined Sales and Use Tax Agreement.
- Oppose unitary combined income tax reporting.
- Oppose new taxes on business services.
- Support the state's three-pronged tax system of property taxes, income taxes and sales taxes.
- Oppose attempts to shift tax responsibility from property and income taxes to sales taxes.
- Oppose the repeal of property taxes.
- Oppose attempts to shift tax responsibility to business and industry.
- Monitor attempts to update or repeal business incentives enacted over the years and make certain that no incentives are eliminated that are deemed necessary by specific businesses or industries.
- Support existing sales and use tax exemptions and proposed new exemptions designed to promote business and industry in Arkansas.
- Support the current legal requirements for passage of taxes.
- Maintain historic opposition to any erosion of tax base that does not promote economic development.

Term Limits

- Support reasonable term limits in Arkansas that allow members of the General Assembly to serve an adequate amount of time to allow a majority of members to have knowledge of the process and history, and create a fair balance of power between the legislative branch and the state's administration departments.

Transportation

- The State Chamber/AIA believes that adequate transportation is vital to the economic success of the state. We will examine and support well-reasoned and balanced plans to improve surface transportation as well as the development needs of the Arkansas waterways navigation system, rail and intermodal transportation.

Unemployment Insurance

- Advance and support legislation that supports achieving and maintaining an Unemployment Insurance Trust Fund that meets U.S. Department of Labor (DOL) solvency guidelines.
- Oppose any legislation that is a detriment to a sound unemployment compensation system.

- The State Chamber/AIA will maintain an active presence on the Department of Workforce Services' ESD Advisory Council.

Workers' Compensation

- Protect the workers' compensation reforms enacted by Act 796 of 1993.

Workforce Development Issues

- Support legislation that ensures the development and maintenance of a globally competitive workforce in Arkansas.
- Support Arkansas's Common Core State Standards and Partnership for Assessment of Readiness for College and Careers (PARCC) standards-aligned assessment.
- Support the coordination and continuation of productive, efficient and accountable workforce development programs.
- Support legislation which identifies and addresses the needs of academically distressed schools and districts.
- Support legislation that authorizes a strategic planning process for PreK-12 education.
- Support legislation which aligns school board elections with general/primary election dates.
- Support legislation that enhances the education reform measures of accountability, transparency, rewards and choice throughout our public education system.
- Support legislation and policy that protects and expands educational choice for parents and students.
- Monitor debate and influence policy discussions on how state funds are being spent on education, and support legislation that puts a priority on expenditures that yield real academic improvement.
- Encourage both the legislature and other state policy makers to evaluate our state's current school calendar, through an interim study on expanding the school day/school year in Arkansas.
- Support the education-based legislative agendas of Arkansas Learns, the STEM Coalition, Accelerate Arkansas, Economics Arkansas and other complementary groups as approved by the State Chamber/AIA Executive Committee.
- Advocate for the continued support and equitable funding of existing institutions of higher education.
- Endorse the relevance and importance of the Arkansas Task Force on Higher Education Remediation, Retention and Graduation Rates' ultimate goal of reaching the Southern Regional Education Board's average for Arkansas citizens holding a bachelor's degree.

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