



Daily Legislative Update

91st General Assembly

Friday, February 3, 2017 – Day 26

CAPITOL SCHEDULE

The House and Senate will both convene at 1:30 p.m. on Monday, February 6.

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.

STATE CHAMBER/AIA PRIORITY BILLS – * PLEASE SUPPORT * CIVIL JUSTICE REFORM

SJR 8 by Sen. Missy Irvin, R-Mountain Home, 14 additional senators and Rep. Bob Ballinger, R-Hindsville, and 52 additional representatives, was filed yesterday. This Senate Joint Resolution seeks a legislative referral to the 2018 General Election ballot to provide Arkansans the opportunity to vote on tort reform that would set caps on non-economic and punitive damages in a manner like 33 other states along with some other issues including a cap on attorney contingency fees.

The resolution was developed and is supported by a group of business associations organized by the State Chamber/AIA, which have a common interest in making Arkansas competitive with most states in America that have adopted similar measures.

Specifically, SJR 8 seeks to:

- Cap contingency fees for attorneys in civil actions at 33 1/3% of the net recovery
- Authorize the General Assembly to adjust the fee cap with 2/3 vote of each chamber
- Cap punitive damage awards in actions for wrongful death or injury to person or property at the greater of \$250,000 or three times the compensatory damage award for each claimant
- Create an exception to the cap for intentional conduct
- Authorize the General Assembly to increase – but not decrease – the cap with 2/3 vote of each house
- Cap non-economic damage awards in actions for wrongful death or injury to person or property at \$250,000 for each claimant, not to exceed \$500,000 to be shared among the beneficiaries of a decedent in a wrongful death action
- Authorize the General Assembly to increase – but not decrease – the cap with 2/3 vote of each house
- Authorize the General Assembly to adopt legislation establishing the process for adjusting the damage caps based on inflation/deflation

- Authorize the General Assembly to adopt legislation establishing the process for calculating the fee and setting penalties for violation
- Authorize the General Assembly, by 3/5 vote of each chamber, to: 1) adopt rules of pleading, practice and procedure for the courts; 2) approve rules of pleading, practice and procedure prescribed by the Arkansas Supreme Court; and, 3) amend or repeal rules of pleading, practice and procedure prescribed by the Arkansas Supreme Court
- In the event of a conflict between a rule adopted by the General Assembly and a rule adopted by the Arkansas Supreme Court, the rule adopted by the General Assembly will control
- Preserve the right of trial by jury

The Legislature can refer three constitutional amendments to the people, but legislative leaders have said they prefer referring only two, one from each legislative body. Yesterday, the Senate adopted rules to recommend one amendment for consideration unless two-thirds of both houses agree to a third. Because **SJR 8** is a Senate joint resolution, it would start in that body. The deadline for filing Joint Resolutions that seek to refer issues to the 2018 General Election ballot is next Wednesday.

Sen. Jim Hendren, R-Gravette, a Senate co-sponsor, speaking to *Talk Business & Politics* said the amendment would help make Arkansas businesses more competitive. “I know it is a factor when businesses look at locating in the state . . .”

Randy Zook, State Chamber/AIA President and CEO, said Arkansas’s poor ranking in a CNBC study of state legal climates makes it out of step with its neighboring states.

The other organizations that helped develop and support the resolution include: The Poultry Federation, the Arkansas Trucking Association, Arkansas Farm Bureau, Arkansas Grocers and Retail Merchants Association, Arkansas Health Care Association, Arkansas Medical Society, Arkansas Hospital Association, and Arkansas Osteopathic Medical Association.

A simple majority vote in both chambers is necessary for an amendment to be referred to the 2018 ballot. There are competing constitutional amendments in the Senate.

We invite anyone who wishes to participate in the effort to have SJR 8 referred to the 2018 General Election Ballot, to join a letter to the General Assembly. You can view the current draft of the letter and the current list of co-signers by clicking [here](#).

Please let Holly Wilson know if would like to join this letter of support for SJR 8. You can email Holly at hwilson@arkansasstatechamber.com

UNEMPLOYMENT INSURANCE

HB 1405 by Rep. Robin Lundstrum, R-Springdale, and Sen. Jim Hendren, R-Gravette, is one of our priority bills for this session. This bill seeks to lower the unemployment insurance taxes paid by employers by reducing the wage base from \$12,000 to \$10,000. It also makes changes in the weeks of coverage and a base measure in calculating benefits.

YESTERDAY AT THE CAPITOL

NOTICE TO PURCHASERS FROM REMOTE SELLERS REGARDING SALES TAX LIABILITY

HB 1388 by Rep. Dan Douglas, R-Bentonville, and Sen. Jake Files, R-Fort Smith, received a Do Pass recommendation from the House Revenue and Taxation Committee yesterday.

This bill would require a seller that does not have a physical presence in this state and does not collect Arkansas sales or use tax on sales made to Arkansas residents to notify Arkansas purchasers that tax is due on certain purchases made from the seller and that Arkansas requires the purchaser to file a sales or use tax return. It would also subject any seller who fails to comply with this section to a penalty of \$5 for each failure to provide notice. Sellers that do not have a physical presence in this state and do not collect Arkansas sales or use tax on sales made to Arkansas, would be required to file an annual report by March 1 or each year of sales to each purchaser with the Director of the Department of Finance and Administration showing the total amount paid by each Arkansas purchaser to the seller during the preceding calendar year. Those sellers that fail to file an annual report would be subject to a penalty of \$10 for each purchaser that should have been included in the report.

We **support** this bill.

GOVERNOR'S RETIRED MILITARY TAX REDUCTIONS

HB1162 by Rep. Charlene Fite, R-Van Buren, Sen. Jane English, R-North Little Rock, 30 additional House members and 13 additional Senators was adopted by the full Senate yesterday by a vote of 25 to 0 with one not voting and five voting present. It now goes to the Governor's desk for signing.

NEXT WEEK AT THE CAPITOL EMPLOYER PROTECTIONS

HB1126 by Rep. Charlie Collins, R-Fayetteville, would improve employers' standing in civil suits with employees by: a) amending the definition of employer to clarify that a natural person acting as a supervisor is not an employer, b) amending the hate crime section to eliminate claims arising out of employment relationship and c) creating a one-year limitation period for discrimination, retaliation and interference claims.

We **support** this bill because two of its three provisions address issues that we planned to address in one of our priority bills. It awaits consideration in the Senate Judiciary Committee.

EQUALIZING SALES TAXES FOR REMOTE SELLERS WITH IN-STATE SELLERS

SB 140 by Sen. Jake Files, R-Fort Smith and Rep. Dan Douglas, R-Bentonville, would require certain high-volume merchants that sell products in Arkansas, but do not have a physical presence in Arkansas, to remit sales taxes to Arkansas. This bill received a Do Pass recommendation from the Senate Revenue and Taxation Committee Wednesday morning.

We **support** this bill to equalize the sales tax playing field between in-state brick and mortar sellers with out-of-state sellers.

LIMITATIONS ON PURCHASES WITH FOOD STAMPS

HB 1035 by Rep. Mary Bentley, R-Perryville, and Sen. Cecile Bledsoe, R-Rogers, was not considered in the Senate Public Health, Welfare and Labor Committee yesterday. It may be considered next Wednesday.

We **oppose this bill** because of the burdens and costs that food retailers and manufacturers would incur to comply with this bill's requirements.

RETAIL TAX PREPAYMENT

HB 1253 by Rep. Jeff Wardlaw, R-Warren, seeks to repeal the requirement that retailers with average net monthly sales of more than \$200,000 prepay a portion of their sales tax twice monthly. This bill is on the House Revenue and Taxation Committee's agenda. We **support** this bill.

HIGHER EDUCATION FUNDING

HB 1209 by Rep. Mark Lowery, R-Maumelle, and Sen. Eddie Joe Williams, R-Cabot, would require the Arkansas Higher Education Coordinating Board to adopt a productivity-based funding model for institutions of higher education and repeal the funding model currently in place, which is based on student enrollment. It received a Do Pass from the Senate Education Committee on Wednesday.

We **support** this bill.

ARKANSAS HISTORIC REHABILITATION CREDIT

SB 253 by Sen. Bill Sample, R-Hot Springs, and Rep. Joe Jett, R-Success, received a Do Pass recommendation from the Senate Revenue and Taxation Committee yesterday. This bill seeks to increase the per-project cap for income-producing properties from \$125,000 in credits to \$400,000 in credits under the existing Arkansas Historic Rehabilitation Income Tax Credit Act for projects that start on or after July 1, 2017. The bill does not increase the current annual aggregate cap of \$4 million in credits.

STATE CHAMBER/AIA BILL TRACKING

TRACKED BILLS

The House has filed 437 bills.

The Senate has filed 273 bills.

We are tracking 184 bills.

To view of list of bills we've added most recently to our tracking, 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.

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 and 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
