



## Daily Legislative Update

91st General Assembly

Monday, February 20, 2017 – Day 43

### CAPITOL SCHEDULE

The Senate will convene at 1:30 p.m. this afternoon.

The House is not meeting today.

To view schedules for all of today's activities, committee agenda's, bills and other information related to the Session, visit [www.arkleg.state.ar.us](http://www.arkleg.state.ar.us).

**\* \* \* STATE CHAMBER/AIA PRIORITY BILLS – CALL TO ACTION \* \* \***

### REPAIR & REPLACEMENT PARTS EXEMPTION FOR MANUFACTURERS

**SB 362** by Sen. Lance Eads, R-Springdale, and Rep. Andy Davis, R-Little Rock, along with eight Senators and 13 Representative co-sponsors was filed Friday. This bill seeks to create a sales tax exemption for manufacturers on their repair and replacement parts by phasing out the entire sales tax by 1 percent a year until complete, along with the Constitutional taxes, by June 30, 2022. Manufacturers must continue to seek a rebate until the tax is completely removed. To make the bill revenue neutral to the state, it will also phase out the InvestArk incentive.

This bill was developed by the State Chamber/AIA with outstanding cooperation from the Governor and leadership at the Arkansas Department of Finance and Administration.

**PLEASE SUPPORT SB 362**

### CIVIL JUSTICE REFORM

**SJR 8** by Sen. Missy Irvin, R-Mountain View, 14 additional senators and Rep. Bob Ballinger, R-Hindsville and 52 additional representatives awaits consideration in the House.

This Joint Resolution seeks to give Arkansas voters the chance to improve the state's civil-justice system, help economic development and keep skilled professionals in the state.

Thanks to all who joined the letter to the General Assembly asking for their support of **SJR 8**. You can view the letter by clicking [here](#).

We will continue to add names to the 57 entities already on the letter for another delivery later in the session. If you would like to join this letter, please email Holly Wilson at [hwilson@arkansasstatechamber.com](mailto:hwilson@arkansasstatechamber.com)

You can read the full text of the amendment by clicking [here](#).

To view a one page summary of **SJR 8** click [here](#).

**We urge everyone to contact your Representatives and ask them to vote FOR SJR 8!!!**

### **UNEMPLOYMENT INSURANCE**

**HB 1405** by Rep. Robin Lundstrum, R-Elm Springs, and Sen. Jim Hendren, R-Gravette, awaits consideration in the Senate Public Health, Welfare and Labor Committee.

This priority bill seeks to lower the unemployment insurance taxes paid by employers by reducing the wage base from \$12,000 to \$10,000. This change will save the business community about \$50 million annually. The bill also seeks to reduce the weeks of UI coverage from five months to four months. A provision to lower the benefit calculation from 1/26<sup>th</sup> to 1/30<sup>th</sup> will be removed by amendment.

**Please ask your Senator to vote FOR HB 1405!**

### **EMPLOYER CLARITY REGARDING MARIJUANA**

**HB 1460** by Rep. Carlton Wing, R-North Little Rock, and Sen. Missy Irvin, R-Mountain View, is a bill developed for us by a group of lawyers that includes: Jennifer Chang and Bruce Cross at Cross Gunter Witherspoon & Galchus, Wayne Young at Friday, Eldridge & Clark and Jim Robertson at the Barber Firm. Justin Allen and Erika Gee from Wright Lindsey Jennings, Brian Vandiver from Cox, Sterling, McClure & Vandiver and Steve Schulte also contributed to this effort. These lawyers did this work as volunteers from our Unemployment Insurance/Human Resource Committee where the idea for this bill began. We very much appreciate the efforts of all the lawyers who have worked on this bill.

An amendment to clarify the intent of the bill has been adopted. The bill awaits consideration in the House Rules Committee, whose next meeting is likely Wednesday.

This bill seeks to create new definitions or modify existing definitions for employers in matters related to the use of marijuana. These definitions include:

- Employer
- Under the Influence
- Current use of marijuana
- Good faith belief
- Safety-sensitive position
- Clarify that a “written certification” for marijuana is not a medical prescription

**Please ask your State Representative to vote FOR HB 1460!**

### **WORKERS COMPENSATION**

**HB 1586** by Rep. John Payton, R-Wilburn, and Sen. Jason Rapert, R-Conway, was filed Friday. This is the State Chamber/AIA's workers' compensation bill to protect employers from the closing of the Workers' Compensation Commission's Death and Permanent Total Disability Trust Fund to new claims after June 30, 2019. This fund served as a cap on employers' exposure for these types of claims, by requiring the employer to pay the first \$200,000 (approximately) of the claims and the Trust Fund would pay the rest. Without the Trust Fund, employers become responsible for the entire cost of these claims, which can reach as high as \$1 million. **HB 1586** seeks to set a cap on these claims at 450 weeks, which is like caps used in over a third of the states. The bill also clarifies that employees exposed to rabies can be treated by workers' comp without presentation of symptoms.

**PLEASE ASK YOUR REPRESENTATIVE TO VOTE FOR HB1586!**

### **STUDENT READING**

**SB 328** by Sen. Alan Clark, R-Lonsdale, awaits consideration in the House Education Committee.

We support this bill that would require the State Board of Education to test applicants for first-time teacher licensure for elementary education K-6 and for special education K-12 in subject matter content, pedagogy, and knowledge of beginning reading instruction. We added this bill to our Priority list because it supports efforts to improve student reading, particularly to promote the standard that every student should be able to read by the end of the third grade.

### **IMPORTANT BILLS LICENSING**

**HB 1551** by Rep. Richard Womack, R-Arkadelphia, seeks to establish a right to engage in a lawful occupation without being required to comply with occupational regulations (licenses) that impose substantial burdens on private individuals or are not substantially related to the state's interest in protecting public health and safety. It awaits consideration in the House Public Health, Welfare and Labor Committee.

Specifically, the bill seeks to:

- establish a means of restricting an individual's right to engage in lawful occupation, with civil actions to remedy consumer harm as the least restrictive method and licensing based on personal qualifications as the most restrictive method.
- restrict an individual's ability to assert the right to engage in lawful occupation to assertion only as a defense in a proceeding to enforce an occupational regulation.
- require a private individual asserting a defense of this right to prove that the regulation at issue imposes a substantial burden.
- require the state to prove that the regulation at issue is related to the state's interest in protecting public health and safety and is no more restrictive than necessary.

This bill is an updated version of a bill that caused a great deal of concern in 2015. Rep. Womack has worked with a variety of groups as he developed this bill and has excluded many who were opposed two years ago. Also, this version has some groups in a neutral position that were opposed two years ago, but we are hearing from many groups that remain concerned and opposed.

We will host a **meeting at 1:30 p.m. this afternoon to discuss this bill**. If you have concerns about this bill, please join us. The meeting will be in the State Chamber Bob Lamb Conference Room at 1200 W. Capitol in Little Rock. We informed Rep. Womack about the meeting Wednesday night.

### **WINE SALES IN GROCERY STORES**

**SB 284** by Sen. Bart Hester, R-Cave Springs, Sen. Linda Chesterfield, D-Little Rock, and Rep. Jon Eubanks, R-Paris, awaits consideration in the House Rules Committee, whose next meeting is likely Wednesday. The bill would permit grocery stores to sell wine for off-premises consumption. This bill does not change existing laws regarding the ability to sell alcohol in any location in the state. We join our member grocers and retail merchants in **support** of this bill.

### **EMINENT DOMAIN**

**HB 1444**, by Rep. Bob Ballinger, R-Hindsville; this 82-page bill seeks to make changes to the state's eminent domain procedures. Specifically, it would:

- Require an entity exercising eminent domain to condemn private property to file a complaint for condemnation of the property in the circuit court of the county in which the private property is located.
- Establish requirements for the complaint of condemnation.
- Require an entity exercising eminent domain to deposit with the circuit clerk the amount of money estimated by the entity to be just compensation for the private property to be condemned.
- Require the circuit court to enter an order with the circuit clerk that evidences the right of the entity to the title to the property within five business days after the title vests.
- Provide that neither this subsection nor the Rules of Civil Procedure limits the right of an entity to immediately receive vested title upon the deposit of the estimated amount of just compensation or an order evidencing the entity's right to the title.
- Establish a circuit court's duties in processing a complaint of condemnation.
- Revises code sections concerning eminent domain to reflect this section.

This bill awaits consideration in the House Judiciary Committee.

We encourage all businesses with an interest in eminent domain to look at this bill and let us know your thoughts. We have received multiple reports of concerns about the bill.

### **ARKANSAS HISTORIC REHABILITATION CREDIT**

**SB 253** by Sen. Bill Sample, R-Hot Springs, and Rep. Joe Jett, R-Success, awaits consideration in the House Revenue and Taxation Committee.

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. We **support** this bill.

### **BUSINESS EDUCATION**

**HB 1442** by Rep. Andy Davis, R-Little Rock, seeks to amend the personal finance curriculum standard to include job seeking skills, soft job skills and employment benefits. It also would require high school students to earn a course credit under this curriculum for graduation. We **support** this bill. It awaits consideration in the House Education Committee.

### **STATE BOARDS, COMMISSIONS AND COMMITTEES**

**SB 341** by Sen. Lance Eads, R-Springdale, nine additional senators and 14 representatives seeks to make various revisions to the composition and membership of numerous state boards, committees, commissions, and other administrative bodies, including

- Repealing the Commission for Coordination of Educational Efforts
- Repealing the Distance Learning Coordinating Council
- Amending the membership of the Apprenticeship Coordinating Steering Committee
- Amending the membership of the Coalition for Juvenile Justice Board
- Repealing the Museum of Natural Resources Advisory Committee
- Repealing the Commission on Information Age Communities Act
- Repealing the Scenic Resources Preservation Coordinating Committee
- Making members of the Board of Examiners in Counseling subject to Senate confirmation
- Repealing the Board of Health Education
- Various other changes

It awaits consideration in the Senate State Agencies Committee.

### **EDUCATION**

**SB 31** by Sen. Jimmy Hickey, R-Texarkana, and Rep. Kim Hammer, R-Benton, awaits consideration in the House Education Committee. It seeks to expand the definition of “traditional student” for purposes of lottery scholarships to include students who spent the previous academic year as a full-time freshman at higher learning institutions. We **support** this bill.

### **COLLECTING SALES TAXES FROM REMOTE 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. It awaits consideration in the House Revenue and Taxation Committee.

**HB 1388** by Rep. Dan Douglas, R-Bentonville, and Sen. Jake Files, R-Fort Smith, would require out-of-state sellers to provide notice to Arkansas purchasers that taxes are owed, provide information regarding purchases and apply fines for failure to implement the requirements of this bill. It awaits consideration in the Senate Revenue and Taxation Committee.

We **support** these bills that seek to equalize the sales tax playing field between in-state brick & mortar sellers and out-of-state sellers.

### **STATE CHAMBER/AIA BILL TRACKING TRACKED BILLS**

The Senate has filed 364 bills.

The House has filed 587 bills.

We are tracking 285 bills.

The most recent list of bills added to our tracking can be viewed [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](http://www.arkleg.state.ar.us).

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