



## Daily Legislative Update

91st General Assembly

Friday, March 3, 2017 – Day 54

### CAPITOL SCHEDULE

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

Monday is the last day bills can be filed.

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](http://www.arkleg.state.ar.us).

### YESTERDAY

#### REPAIR AND REPLACEMENT PARTS EXEMPTION FOR MANUFACTURERS – State Chamber Priority Bill

**SB 362** by Sen. Lance Eads, R-Springdale, and Rep. Andy Davis, R-Little Rock, along with eight Senators and 13 Representative co-sponsors received a Do Pass recommendation yesterday morning in the House Revenue and Taxation Committee.

This bill creates 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 mitigate revenue impact to the state, it will also phase out the InvestArk incentive.

**Please ask your Representative to SUPPORT SB 362**

### 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, received a Concur in House Amendment recommendation in the Senate State Agencies Committee and is on Monday afternoon's Senate Calendar.

### ECONOMIC DEVELOPMENT

**HB 1732** by Rep. Matthew Shepherd, R-El Dorado, and Sen. Lance Eads, R-Springdale, amends the Local Government Bond Act of 1985, approved by Amendment 62, to reflect language in Amendment 97 that authorizes local governments to fund economic development projects, land and infrastructure for industries. It was approved in the

House yesterday by a vote of 88-0 and has been assigned to the Senate City, County & Local Committee.

### **ARKANSAS HISTORIC REHABILITATION CREDIT**

**SB 253** by Sen. Bill Sample, R-Hot Springs, and Rep. Joe Jett, R-Success, was approved by the Senate yesterday and has gone to the Governor's desk.

### **EMPLOYER CLARITY REGARDING MARIJUANA**

**HB 1460** by Rep. Carlton Wing, R-North Little Rock, and Sen. Missy Irvin, R-Mountain View, received a Do Pass from the House Rules Committee on Wednesday and the bill will likely be on the floor Monday for consideration by the full House. This bill will require a two-thirds (67) majority vote. **Please ask your Representative to vote FOR HB 1460.**

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

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.

### **STATE CHAMBER/AIA PRIORITY BILLS - PENDING UNEMPLOYMENT INSURANCE**

**HB 1405** by Rep. Robin Lundstrum, R-Elm Springs, and Sen. Jim Hendren, R-Gravette, is expected to be considered in the Senate Public Health, Welfare and Labor Committee next week. **Please ask your Senator to VOTE FOR HB 1405!**

This 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 approximately \$50 million annually. The bill also seeks to reduce the weeks of UI benefits from five months to four months.

### **PROPERTY TAXPAYER PROTECTIONS**

**HB 1772** by Rep. Joe Jett, R-Success and Sen. Jake Files, R-Fort Smith and 21 additional members, received a Do Pass recommendation yesterday morning by the House Revenue and Taxation Committee. It is expected to be considered early next week by the House.

This bill was developed by the State Chamber/AIA Tax Committee. It seeks to amend various aspects of property tax administration and the adjustment and appeal of assessments through county equalization boards.

- Allows for the deadline for filing a petition for review of a property tax assessment to be extended by fifteen days by order of the appropriate commission for good cause shown.

- Requires a county assessor to present to the county equalization board any evidence that the county assessor's office or a contracted appraisal company considered when determining the valuation of the property that is the subject of the hearing.
- Requires the Director of the Assessment Coordination Department to approve curricula and provide materials for use in training and educating member of county equalization boards, and supervise a comprehensive course for training and educating members of county equalization boards and issue certificates indicating course completion among other duties.

**Please ask your Representative to vote FOR HB 1772**

### **WORKERS COMPENSATION**

**HB 1586** by Rep. John Payton, R-Wilburn, and Sen. Jason Rapert, R-Conway, awaits consideration in the Senate Health, Welfare and Labor Committee.

**Please ask your senator to VOTE FOR HB 1586**

This bill will establish a cap on employers' indemnity costs at 450 weeks for death and permanent total disability injuries occurring on or after July 1, 2017. A cap on employers' exposure is needed to replace a cap lost by closing the Death and Permanent Total Disability Trust Fund (Fund). Medical benefits are NOT capped by this bill.

The Fund paid the entire amount of the claim after employers paid a designated initial portion of the claim, which currently is \$215,000. Without the Fund, employers' responsibility is limitless on these claims. Total claim costs can be \$500,000 to \$1 million. For insured employers, loss of the Fund will cause a premium increase. For self-insured employers, loss of the Fund means their cost would increase from \$215,000 to unlimited.

### **SCHOOL BOARD ELECTION DATES**

**HB 1621** by Rep. Mark Lowery, R-Maumelle, and Sen. Jane English, R-North Little Rock, is a bill **we support** that seeks to set annual school elections in each school district of the state on: (A) the date of the preferential primary election in even-numbered years and the date that would be designated as the preferential primary election in odd-numbered years if a general election was held in the odd-numbered year; or (B) the first Tuesday following the first Monday in November of each year. This bill will be considered in the House Education Committee next Tuesday.

This bill was developed to:

- Substantially increase voter turnout by holding elections when most voters vote
- Save taxpayer dollars in even-numbered years by combining school elections with general or preferential primary elections
- Allow local districts to continue to choose dates for millage elections
- Allow local districts to choose between preferential primary and general elections for school board elections
- Allow local districts to continue holding isolated, stand-alone elections in odd-numbered years
- Alternate candidates running in preferential primary/general elections and isolated, stand-alone elections

**SB 504** by Sen. Jane English, R-North Little Rock, would set the school board elections at the General Election date in November.

### **DECEPTIVE TRADE**

**HB 1742** by Rep. Laurie Rushing, R-Hot Springs, and Sen. Bart Hester, R-Cave Springs, would require a claimant in civil cases, related to deceptive trade practices, to demonstrate actual financial loss in order to prevail. It also defines actual financial loss to mean an ascertainable amount of money that is equal to the difference between the amount paid by a person for goods or services and the actual market value of the good or services provided. This bill awaits consideration in the House Insurance & Commerce Committee. **We support this bill**

### **HIGHWAY FUNDING**

**HB 1726 and HB 1727**, by Rep. Dan Douglas, R-Bentonville, is a highway funding plan that **we support**.

**HB 1726** would authorize the State Highway Commission to issue bonds if such authority is approved by voters in a one-time statewide election. It would: a) require the issued bonds to finance the maintenance or construction of state highways, b) authorize the election to be in conjunction with a general election or to be a special election, and c) establish rules governing the specific nature of bonds issued by the Commission.

**HB 1727** would apply the existing state sales tax to the wholesale price of motor fuel and wholesale distillate special motor fuel. It would make the levy of such taxes dependent on the results of an election to approve the issuance of highway maintenance and construction improvement bonds. It would also require the tax, if levied as a result of the election, to be an amount equal to the annually adjusted 6.5 percent of the average monthly wholesale price over the previous year.

### **DOUBLE DAMAGES**

**HB 1737** by Rep. Charlie Collins, R-Fayetteville, would prohibit damages awarded in discrimination and retaliation cases under the Arkansas Civil Rights Act of 1993, from duplicating or increasing any award for damages over those allowed for by any other state or federal law as the federal law existed on January 1, 2017. It would also establish that individual employees, agents of employers or employees of an employer's agent are not liable for violation found to have been committed by employers. It awaits consideration in the House Judiciary Committee next week. **We SUPPORT this bill!**

### **PROPERTY PROTECTION ACT**

**HB 1665**, by Rep. DeAnn Vaught, R-Horatio, 23 additional Representatives and Sen. Gary Stubblefield, R-Branch, received another Do Pass recommendation from the House Judiciary Committee yesterday morning.

It will strengthen employers' defenses against common forms of corporate espionage by prohibiting any person from placing a camera or electronic surveillance device on the employer's premises without permission. The bill also prohibits employees from capturing or removing the employer's data, papers or records, or from recording sounds or images.

This bill is **supported by the State Chamber/AIA**, Arkansas Farm Bureau, Agricultural Council of Arkansas, Farm Credit Services of Arkansas and the U.S. Chamber of Commerce. It is on today's agenda in the House Judiciary Committee.

## **BILLS WE SUPPORT**

### **NET OPERATING LOSS CARRY FORWARD**

**HB 1788** by Rep. Jim Dotson, R-Bentonville, seeks to gradually extend the duration over which net operating losses can be carried forward to the following tax year for income tax purposes, beginning with six years on January 1, 2017, and building to 10 years on January 1, 2021. This is an issue we've been working on for about eight years. We **support** this bill.

### **INCOME TAX THROWBACK RULE**

**HB 1790** by Rep. Jim Dotson, R-Bentonville, seeks to repeal the provision that business income is taxable in another state based on having out-of-state activities that exceed those protected by 15 U.S.C. 381-385. It seeks to repeal the throwback rule for sales to states where the taxpayer is not taxable. This is an issue our Tax Committee would like to see addressed by the legislature. We **support** this bill.

### **PROTECTION FROM MASS PICKETING**

**SB 550** by Sen. Trent Garner, R-El Dorado, seeks to create a Class A misdemeanor for unlawful mass picketing, defined as engaging in demonstrations that hinder or prevent the pursuit of lawful work or employment, obstruct entrance to a place of employment or interfere with the use of roads. This is a bill we had developed, filed and **support**.

### **ECONOMICS EDUCATION**

**HB 1442**, by Rep. Andy Davis, R-Little Rock, is on Monday's Senate Calendar. The bill 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.

### **EMPLOYER PAYROLL PAYMENTS**

**HB 1609** by Rep. Clarke Tucker, D-Little Rock, awaits consideration in the Senate Public Health, Welfare and Labor Committee and an amendment is under consideration. We **support** this bill.

This bill is designed to provide a clarification in the law that will be beneficial to employers. Currently, the law requires employers to pay employees semimonthly. The intent of that law was to ensure that employees are paid at least twice per month. The problem is that the language implies employers are required to pay employees exactly twice per month. Accordingly, employers who pay employees biweekly, and therefore have two months per year with three pay periods, are in violation of the law for those two months each year. Further, employers who pay employees on a weekly basis are in violation of the law twelve months per year.

While the current law is not widely enforced, the legislation is intended to provide clarity and security for employers who currently pay more than twice per month so that they have certainty that they are not in violation of the law, and no rogue investigator will be able to fine them or otherwise penalize them for going beyond what the law intended.

## **ABOVE GROUND STORAGE TANKS**

**HB 1721** by Rep. Andy Davis, R-Little Rock and Sen. John Cooper, R-Jonesboro, was filed Tuesday and is a bill submitted by the Arkansas Environmental Federation, our partner in all things environmental. This bill would authorize reimbursement for corrective actions paid by the owner of an unregistered above-ground petroleum storage tank if the owner voluntarily registers the tank. We support this bill.

## **COLLECTING SALES TAXES FROM REMOTE SELLERS**

**HB 1388** by Rep. Dan Douglas, R-Bentonville, and Sen. Jake Files, R-Fort Smith, awaits consideration in the Senate. It 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.

**SB 140** by Sen. Jake Files, R-Fort Smith, and Rep. Dan Douglas, R-Bentonville, awaits reconsideration in the House Revenue and Taxation Committee. It 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 remains on the House Revenue and Taxation Committee agenda.

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

## **BILLS WE OPPOSE**

### **LICENSING**

**HB 1551** by Rep. Richard Womack, R-Arkadelphia, is on the Deferred List in the Public Health, Welfare and Labor Committee. We join many business types and groups that OPPOSE this bill.

Multiple bills addressing licensing were filed yesterday. They will be reviewed by our group of interested parties.

### **GENDER EQUITY**

**HB 1021**, by Rep. Fred Love, D-Little Rock, is set as a Special Order of Business in the House Public Health, Welfare and Labor Committee on March 14.

This bill would authorize an employee to file a gender discrimination complaint with the Labor Department, without retaliation by the employer. It would require the Labor Department to investigate and supervise the payment of unpaid salaries or prosecute a civil action.

We visited with Rep. Love about this bill right after it was filed early in the Session. We also had the bill reviewed by an employment attorney. We could not find a way to amend the bill in a way in which employers would be comfortable. Consequently, we oppose this bill.

### **EMPLOYER PAYMENTS**

**HB 1624** by Rep. Greg Leding, D-Fayetteville, would establish that overdue wage payments do not release an employee's other claims to balances due to them by employers and amends the processes governing disputes over wages.

## **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. This bill has been placed on the Deferred List in the House Judiciary Committee.

## **BILLS OF INTEREST**

### **GUNS IN EMPLOYER PARKING LOTS**

**SB 37** by Sen. Alan Clark, R-Lonsdale, received a Do Pass recommendation from the Senate Judiciary Committee Wednesday. This bill addresses the rights of employees to keep a firearm in their vehicle on business property. We have been working with Sen. Clark and Sen. Hickey, who has a similar bill, **SB 33**. We expect this bill to be held.

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

**SB 341**, by Sen. Lance Eads, R-Springdale, nine additional senators and 14 representatives, was approved by the Senate on Tuesday by a vote of 28-0 and awaits consideration in the House State Agencies Committee.

It 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

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

### **TRACKED BILLS**

The Senate has filed 581 bills.

The House has filed 895 bills.

We are tracking 443 bills.

Yesterday, the House filed 92 bills and the Senate filed 49. Monday is the last day to file bills. It is safe to expect over 100 bills to be filed Monday. In some past sessions, there has been as many as 400 to 500 bills filed. It's unlikely that many will be filed, but we'll see. Our tracking service was not able to complete review of all the Senate bills filed yesterday and they will be behind most of next week, so we'll be adding bills to tracking most of next week.

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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