



Daily Legislative Update

91st General Assembly

Tuesday, April 4, 2017 – Session Adjourned

CAPITOL SCHEDULE

The Senate and House adjourned yesterday. They will reconvene the first week of May for Sine Die adjournment and then likely start a Special Session the same day. The Special Session is expected to be only a few days and will deal with health care issues and technical corrections.

To view Acts, Bills and other information related to the Session visit www.arkleg.state.ar.us.

RECAP OF STATE CHAMBER/AIA LEGISLATIVE AGENDA PRIORITY BILLS AND OTHER IMPORTANT BILLS WE SUPPORTED THAT WERE ADOPTED

Here is a summary of 22 bills that passed, which were part of our Priority Bill Package and other bills we supported. The State Chamber/AIA 2017 Legislative Summary will be published later and will provide a detailed analysis of the Session.

REPAIR AND REPLACEMENT PARTS SALES TAX EXEMPTION

SB 362 now Act 465, by Sen. Lance Eads, R-Springdale, Rep. Andy Davis, R-Little Rock, and 21 others, will 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 mitigate revenue impact to the state, it will also phase out the InvestArk incentive.

TORT REFORM - CAPS

SJR 8, by Sen. Missy Irvin, R-Mountain View, Rep. Bob Ballinger, R-Hindsville, and 66 others, will be on the 2018 General Election ballot. This will provide Arkansas electors the opportunity to vote on a Constitutional Amendment that will set caps on attorneys' fees, punitive and non-economic damages.

UNEMPLOYMENT INSURANCE

HB 1405 now Act 734, by Rep. Robin Lundstrum, R-Springdale, and Senators Jim Hendren, R-Gravette, and Bart Hester, R-Cave Springs, will reduce Arkansas employers' unemployment insurance taxes by \$50 million and encourage those drawing unemployment benefits to look for work quicker.

PROPERTY TAX PAYER FAIRNESS

HB 1772 now Act 659, by Rep. Joe Jett, R-Success, and Sen. Jake Files, R-Fort Smith, will provide better support for County Equalization Boards (EQ Boards), by calling for more comprehensive training under the direction of the Assessment Coordination Department (ACD); directing all materials used in training and education to be available online; making ACD Staff available to respond to questions from EQ Board members; directing the Director of the ACD to issue uniform hearing procedures; prohibiting private communications with EQ Board Members about hearing issues; and removing a couple of restrictions that were viewed as “tying the hands” of EQ Boards in certain ways, in favor of improving education and support.

For taxpayers or Assessors who don't like the way an EQ Board appeal turned out appeals to the County Judge sitting as the County Court, or to Circuit Court, **HB1772** clarifies that the appealing party has the Burden of Proof, applying the same standards as a taxpayer has when appealing an income tax, sales tax or other state tax assessment made by the DFA. The standard notice of appeal rights issued after all EQ Board decisions will also alert taxpayers to an Arkansas Supreme Court Rule that requires any appeal by a business entity be signed by a licensed attorney.

The Bill also clarifies that certain types of errors on the tax books, such as erroneous property descriptions and listings, can be corrected outside of the EQ Board appeal process at any time, and confirms that under the Arkansas Property Taxpayer Bill of Rights passed in 1999, taxpayers may be entitled to refunds for up to 3 years on a “no fault” basis, same as is the case for state taxes handled by DFA. The Bill also adds a new provision that gives an additional year to make refunds if a mistake impacts more than one year.

TORT REFORM - DECEPTIVE TRADE

HB 1742 awaits the Governor's signature, by Rep. Laurie Rushing, R-Hot Springs, and Sen. Bart Hester, R-Cave Springs, amends the Arkansas Deceptive Trade Practices Act (DTPA) to ensure fairness for all litigants in consumer protection actions. As it currently exists, Arkansas's consumer protection law exposes the state's businesses to frivolous lawsuits from individuals who have suffered no real harm. **HB 1742** would amend the Arkansas DTPA to ensure fairness for all litigants in consumer protection actions.

SCHOOL BOARD ELECTIONS

HB 1621 awaits the Governor's signature, by Rep. Mark Lowrey, R-Maumelle, and Sen. Jane English, R-North Little Rock, will move school board elections to either the General Election or Primary Election date.

WORKPLACE SAFETY

HB 1460 now Act 593, by Rep. Carlton Wing, R-North Little Rock, and Sen. Missy Irvin, R-Mountain View, will provide protection for the workplace in regard to Medical Marijuana usage by creating new definitions or modify existing definitions for employers in matters related to the use of marijuana.

MINIMUM WAGE LAWS

HB 1126 now Act 191, by Rep. Charlie Collins, R-Fayetteville, amends the definition of employer to clarify that a natural person acting as a supervisor is not an employer and creating a one-year limitation period for discrimination, retaliation and interference

claims. The bill also amends the hate crime section to eliminate claims arising out of employment relationship, which is another plus for employers.

DOUBLE DAMAGES

HB 1737 now Act 783, by Rep. Charlie Collins, R-Fayetteville, will 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 will 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.

TEACHER READING SKILLS

SB 328 now Act 416, by Senators Alan Clark, R-Lonsdale, Jane English, North Little Rock, and Bart Hester, R-Cave Springs, and Representatives Charlotte Douglas, R-Alma, will require the State Board of Education to test applicants for first-time teacher licensure for elementary education (K-6) and special education (K-12) in subject matter content and knowledge of beginning reading instruction.

REPEAL OF PREVAILING WAGE LAW

SB 601 awaits the Governor's signature, by Sen. Bart Hester, R-Cave Springs, and Rep. Jim Dotson, R-Bentonville, will repeal the entirety of the Prevailing Wage Law that governs required payments by contractors. Eliminating this law in Arkansas will lower state and local government costs of doing business, create opportunities for more schools, roads, bridges, low-income housing, and hospitals, as well as, in turn, create more jobs in construction.

WINE SALES IN GROCERY STORES

SB 284 now Act 508, by Sen. Bart Hester, R-Cave Springs, Sen. Linda Chesterfield, D-Little Rock, and Rep. Jon Eubanks, R-Paris, will 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.

DONNING AND DOFFING

HB 1846 awaits the Governor's signature, by Rep. Charlie Collins, R-Fayetteville, and Sen. Bart Hester, R-Cave Springs, will establish that an employer is not subject to liability on account of the failure of the employer to pay an employee minimum wage or to pay an employee overtime compensation for or on account of certain activities that are not principal to the employee's job. This bill does not cut into employee protections, but instead puts employers and employees back where they were before a court case was decided. A dissent in that court case cautioned against opening the floodgates of litigation at the expense of businesses in Arkansas, and warned that the opinion "undermines the collective-bargaining process and destroys any confidence employers and employees have in the enforceability of their agreements" and that the Fair Labor Standards Act does not consider such activities "work" under state or federal law.

WORKFORCE EDUCATION EXCELLENCE TASK FORCE

SB 441 awaits the Governor's signature, by Sen. Jane English, R-North Little Rock, creates the Legislative Task Force on Workforce Education Excellence, which is tasked with reviewing and researching ways to improve technical education and workforce development programs.

ARKANSAS WORKFORCE CHALLENGE SCHOLARSHIP PROGRAM

SB 528 now Act 613, by Sen. Jimmy Hickey, R-Texarkana, and Rep. Charlotte Douglas, R-Alma, creates the Arkansas Workforce Challenge Scholarship Program, which awards scholarships from excess lottery funds to students seeking associate degrees or certificates in industry, healthcare or information technology.

MASS PICKETING

SB 550 awaits the Governor's signature, by Sen. Trent Garner, R-El Dorado, will 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.

TRESSPASSER ESPIONAGE

SB 1665 now Act 606, by Rep. DeAnn Vaught, R-Horatio, and Sen. Gary Stubblefield, R-Branch, creates a cause of action against people who have gained access to a nonpublic area of another person's property and engaged in an act that exceeds the trespasser's authority within the nonpublic area.

FRANCHISOR LIABILITY PROTECTION

SB 695 awaits the Governor's signature, by Sen. Linda Collins-Smith, R-Pocahontas, clarifies the definition of the employment relationship to help ensure that state enforcement agencies and courts do not adopt the expansive new joint-employer standard adopted at the federal level.

AMENDMENT 97 IMPLEMENTATION BILLS

HB 1732 now Act 659, 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.

SB 581 now Act 695, by Sen. Jim Hendren, R-Gravette, Sen. Missy Irvin, R-Mountain View, Rep. Justin Boyd, R-Fort Smith, and Rep. Bob Johnson, D-Jacksonville, will:

- Implement legislation to reflect the voters support of Issue 3 in the past general election – 65 percent voted for passage
- Remove the 5 percent cap on Amendment 82 bonds, which voters approved
- Provide a framework for municipalities/counties to appropriate money for economic development projects and economic development services while also maintaining safeguards for judicious use of municipal/county resources
 - Cost Benefit Analysis required for expenditures over \$100,000
 - Recapture provisions and reporting are included
 - 5 percent cap on expenditures of the municipality's/county's general revenue and reserves of the previous fiscal year, but does allow for exceeding the 5 percent upon issuance of a financial forecast of the governing body by an independent CPA. Revenue that is specifically dedicated by law or public vote for economic development purposes is excluded from these limitations/restrictions
- Does not prohibit or restrict funding economic development projects through revenue bonds

ABOVE GROUND STORAGE TANKS

HB 1721 now Act 584, by Rep. Andy Davis, R-Little Rock, and Sen. John Cooper, R-Jonesboro, authorizes reimbursement for corrective actions paid by the owner of an unregistered above-ground petroleum storage tank if the owner voluntarily registers the tank.

AIRCRAFT SALES TAXES

HB 2278 now Act 595 by Rep. Joe Jett, R-Success, will apply the sales tax exemption for aircraft sold to purchasers that are residents of another state and will base the aircraft outside the state to aircraft sold to such purchasers by in-state residents who will remove the aircraft to be based out of state.

**IMPORTANT BILL – ACTION YESTERDAY
SALES TAXES BY REMOTE SELLERS**

SB 140, by Sen. Jake Files, R-Fort Smith, and Rep. Dan Douglas, R-Bentonville, failed on the House floor by a vote of 43 yes and 50 no. This bill sought to 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. We supported this bill.

**BILL WE OPPOSED - ACTION YESTERDAY
PAY STUB REQUIREMENTS**

HB 1625 by Rep. Greg Leding, D-Fayetteville, was brought up for reconsideration in the Senate and was defeated by a vote of 7 yes and 17 nay.

**BILLS OF INTEREST
UNIFORM COMMERCIAL CODE**

SB 414 by Sen. Bart Hester, R-Cave Springs, was approved by the House by a vote of 89 to 0.

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

House bills filed 1,280
Senate bills filed 789
State Chamber/AIA tracking 656

Bill Filing Summary	1997	1999	2001	2003	2005	2007	2009	2011	2013	2015	2017
House Bills	1,284	1,291	1,655	1,906	1,981	1,813	1,275	1,231	1,300	1,007	1,280
House Joint Resolutions	15	21	22	30	28	21	14	13	19	27	22
HOUSE TOTALS	1,372	1,384	1,787	2,017	2,072	1,906	1,345	1,294	1,381	1,034	1,302
Senate Bills	756	967	988	979	1,195	1,004	1,010	1,004	1,192	1,055	789
Senate Joint Resolutions	9	13	18	21	17	14	12	12	18	16	14
SENATE TOTALS	814	1,034	1,054	1,056	1,255	1,082	1,066	1,062	1,247	1,071	803
House & Senate Bills	2,040	2,258	2,643	2,885	3,176	2,817	2,285	2,235	2,492	2,062	2,069

Acts	1,362	1,598	1,843	1,816	2,325	1,755	1,501	1,242	1,520	705	tbd
State Chamber/AIA Tracking		398	560	658	698	565	537	564	613	536	656

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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