



## Daily Legislative Update

91st General Assembly Fiscal Session

Monday, February 19, 2018

### STATE CHAMBER/AIA LEGISLATIVE RECEPTION TOMORROW

Please join us tomorrow for our Annual Legislative Reception. It will be held from 4:30 p.m. to 6:30 p.m. under the big tent in our north parking lot on the corner of 4<sup>th</sup> and Cross Streets in Little Rock. This is a great opportunity to network and visit with members of the Arkansas General Assembly, elected Constitutional officers, state agency personnel and State Chamber/AIA members.

### LEGISLATORS RETURN TOMORROW

The House and Senate are in recess today. The Senate will reconvene at 1 p.m. and the House will reconvene at 1:30 p.m. tomorrow.

### SPECIAL SESSION REQUESTED

House Speaker Jeremy Gillam, R-Judsonia, and Senate President Pro Tem Jonathan Dismang, R-Beebe, sent identical letters to Gov. Hutchinson on Friday asking for a Special Session to be called after the Fiscal Session is concluded to address two issues: 1) pharmacy benefit managers (PBM) and 2) the state's laws on open containers of alcoholic beverages in vehicles. Dismang and Gillam both wrote that they wish to maintain the integrity and voter intent of Fiscal Sessions by focusing solely on appropriation bills and related budget matters of the state. The Legislative leaders said they understood that the Governor may choose to allow additional items into a call for a Special Session.

The Leadership letters also said they were asking lawmakers to develop drafts bills addressing PBMs and open container laws that have the signature of two-thirds of each chamber to show the Governor that there is support for the bills. Sen. Dismang told the *Arkansas Democrat Gazette*, "If we have an extraordinary session, I want us to be in for three days and out in three days. That's the minimum time for a special session under the Arkansas Constitution."

Arkansas General Assemblies have dealt with PBM issues for approximately 12 years. The issue arose again a few weeks ago when many spectators attended a legislative committee meeting and pharmacists complained about steep cuts to the reimbursement rates they get from PBMs.

Sen. Ron Caldwell, R-Wynne (SR 9) and Rep. Michelle Gray, R-Melbourne (HR 1011), previously filed resolutions seeking authority to file bills to address PBMs. HR 1011 has been referred to the House Rules Committee and SB 9 has been referred to the Senate Calendar. The House Rules Committee has not met and has not yet appeared on this week's schedule and no Regular Agenda items have been put on the Senate Calendar. This issue has always been contentious for a variety of reasons.

In regard to changing state laws on open alcohol containers in a vehicle, Sen. Bill Sample, R-Hot Springs, and Rep. Mat Pitsch, R-Fort Smith, previously filed SR 5 and HR 1007 seeking authority to file bills to fix these laws.

A recent *Arkansas Democrat Gazette* article reported that the proposed legislation would fix three areas of state law that the National Highway Traffic Safety Administration determined did not meet federal statutory and regulatory requirements, according to state Department of Transportation spokesman Danny Straessle, who stated, "The first of these was to define what an alcoholic beverage was; the second was to delete an exemption for a container within a person's reach but in a locked area such as a locking console or glovebox; and the third is to make the offense applicable to all vehicles located on a highway or public right-of-way without regard to whether the vehicle was 'in operation' at the time."

Under federal law, a state that is out of compliance with federal open-container laws as of Oct. 1 of any given year will have 2.5 percent of National Highway Performance Program and Surface Transportation Block Grant Program funds distributed to the Highway Safety Improvement Program category of funding, putting a significant limitation on what that money may be used for, Straessle said. That would limit the use of about \$12 million for highway construction and maintenance to safety purposes starting in the federal fiscal year beginning Oct. 1, 2018.

## **RESOLUTIONS FOR NON-APPROPRIATION ISSUES**

House members filed seven resolutions seeking authority to file bills on non-appropriation issues before its deadline that included the PBM and open container issues. All have been referred to the House Rules Committee. That Committee has not yet met and currently is not listed on this week's Committee schedule.

Senators filed eight resolutions before the deadline, including the PBM and open container issues. All were referred to the Senate Calendar but only SR 4 has yet to appear on the Calendar. SR 4, by Sen. Trent Garner, R-El Dorado, is on tomorrow's calendar for withdrawal.

Last week, Sen. Garner told the Arkansas Democrat Gazette that he had been assured by Gov. Hutchinson that an amendment he has proposed to the "campus-carry" gun law he sponsored last year would be considered either in a special session or through the rule-making process. Act 562 of 2017, sponsored by Garner, allows concealed-carry permit holders who take additional training to take handguns onto college campuses and other public buildings. Garner says the problem is the law was written to require all permit instructors to teach the extra class, even if they do not wish to do so. Garner has proposed letting the instructors opt out.

Other proposals address the assessment fees placed on hospitals, school-choice transfers and enrollment in the Arkansas Works program.

### **RED TAPE REDUCTION WORKING GROUP ANNOUNCED**

Friday afternoon, Gov. Hutchinson announced a group of legislators, bureaucrats and consumer representatives that will serve as a group to search for ways to reduce "red tape" in obtaining occupational licenses and regulations in Arkansas.

The State Chamber/AIA has been working on this issue since the 2015 Legislative Session and expected this announcement would occur. We have a group that meets to discuss these issues and will be used to obtain information to share with an Advisory Group that was formed a few weeks ago. We have a seat on this Advisory Group. If you would like to participate in the State Chamber's Licensing Group, please email Kenny Hall at [khall@arkansasstatechamber.com](mailto:khall@arkansasstatechamber.com).

The Red Tape Reduction Group includes five members from each legislative chamber, appointed by the Speaker and Senate Pro Tem and five other appointees made by the Governor.

The senators include Republicans John Cooper of Jonesboro, who will serve as a co-chairman; Missy Irvin of Mountain View, Jane English of North Little Rock, Trent Garner of El Dorado and Bart Hester of Cave Springs.

The representatives are LeAnne Burch, D-Monticello; Bruce Cozart; R-Hot Springs; Milton Nicks Jr., D-Marion; Jeff Williams, R-Springdale; and Richard Womack, R-Arkadelphia. Rep. Cozart will serve as a co-chairman.

The governor's appointees are Bill Gossage, the governor's deputy chief of staff for external affairs; Charisse Childers, director of Arkansas Career Education; Leon Jones Jr., director of the Arkansas Department of Labor; and consumer representatives Lula Dixon and Bob Kucheravy.

A couple of weeks ago we participated in the organizational meeting of an Advisory Group that will gather and provide information to the Red Tape Reduction Group. The Advisory Group includes more than a dozen state Department heads plus the State Chamber's seat, a representative from the AFL-CIO and a consumer representative.

It is expected that the Red Tape Reduction Group will develop recommendations by late fall that will be introduced as legislation in the 2019 Legislative Session. It's also probable that the Group will work on this issue for about three years.

In his announcement of the Red Tape Reduction Working Group, Gov. Hutchinson said he expects the Group will make recommendations that can be eliminated without compromising consumer safety. In a statement to the *Arkansas Democrat Gazette*, Gov. Hutchinson said, "I want to do everything reasonable to help all Arkansans have the opportunity to pursue an occupation or start a business. Where possible, I want to cut the red tape and costs of entering a new occupation. In some occupations, testing and a license are necessary for the safety of consumers. But the cost of a license or certificate for some trades may be an unnecessary financial barrier for someone who wants to pursue that occupation."

### ***LEGISLATIVE SESSION INFORMATION***

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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