



## Daily Legislative Update

91st General Assembly Fiscal Session

Tuesday, February 20, 2018

### STATE CHAMBER/AIA LEGISLATIVE RECEPTION THIS AFTERNOON

Please join us from 4:30 p.m. to 6:30 p.m. this afternoon for our Annual Legislative Reception. It will be held under a big tent in our north parking lot at the corner of 4<sup>th</sup> and Cross Streets in Little Rock. Members of the Arkansas General Assembly as well as elected Constitutional officers and state agency personnel will attend. We hope you'll take advantage of this great opportunity to network with state leaders as well as fellow State Chamber/AIA members.

### TODAY AT THE CAPITOL

The Senate will convene at 1 p.m. and the House will convene at 1:30 p.m. this afternoon. The Calendars in both Chambers have long lists of bills on their Budget Calendars to consider Appropriation bills, about three Appropriation bills for amendment in each Chamber and no Regular bills in either Chamber.

### GOVERNOR WILL CALL SPECIAL SESSION

In a meeting with reporters yesterday, Gov. Asa Hutchinson said he will call a Special Session of the Legislature at a date yet to be determined after the Fiscal Session adjourns. This announcement follows Friday's letter from House Speaker Jeremy Gillam, R-Judsonia, and Senate President Pro Tem Jonathan Dismang, R-Beebe, that requested a Special Session.

The letter mentioned two issues that require consideration – rising drug costs and their relationship with Pharmacy Benefit Managers (PBM) and the state's open container laws' impact on federal highway funding. The legislative leaders' letter said they would have draft bills prepared and seek the signatures of two-thirds of each Chamber to demonstrate to the Governor that there is support for both issues. The Governor said he decided to call the Special Session if the legislative leaders can obtain the two-thirds consensus.

In a *Talk Business & Politics (TB&P)* story today by Wesley Brown, he cites the following comments by Gov. Hutchinson, "The most obvious solution to this as I've mentioned is a market-

based solution that we are getting closer to resolving.” “I know that the (insurance) carriers as well as the PBMs and pharmacists have worked together trying to alleviate this challenge and raise the reimbursement rates. That’s an ongoing process, but I think they are close to having some beneficial results from that.” The story continued by saying Hutchinson had urged the different parties to continue negotiations on a remedy but added that the letter from Dismang and Gillam advised him that there is a growing sentiment in the General Assembly to give the Insurance Department oversight authority over PBMs. “As a result of this information, I will call a special session of the General Assembly following the fiscal session to address this issue. ... And this is subject to a consensus being reached by the (Legislature) on the language of that bill,” Hutchinson said. Brown’s story also said that Arkansas would be the first state to regulate PBMs.

Regarding other issues, Brown’s story from *TB&P* reported that before a new law was passed in the 2017 session, it was perfectly legal to drive in Arkansas with an open can of beer or bottle of whiskey sitting in the driver’s cupholder. Rep. Mat Pitsch, R-Fort Smith, said the legislation did not match federal requirements, though the intent was to do so. Because of that, \$11.6 million, or 2.5 percent of all federal funds the state receives for highways, would have to be dedicated to safety and training expenditures dictated by the federal government. House Resolution 1007 filed last week by Pitsch would give the flexibility to spend that money on other needs. The *TB&P* story also reported that Governor Hutchinson was clear that gun laws would not be part of any Special Session.

It is possible that additional issues could be included in the Governor’s call for a Special Session.

### **RED TAPE REDUCTION WORKING GROUP MEETING TOMORROW**

The Red Tape Reduction Working Group announced Friday afternoon by Gov. Hutchinson is scheduled to meet at 3:30 p.m. tomorrow in Room 138 of the State Capitol. It will be chaired by Sen. John Cooper, R-Jonesboro and Rep. Bruce Cozart, R-Hot Springs.

Members of the Red Tape Reduction Group include five Senators, five Representative and five members appointed by Gov. Hutchinson. The Senate members are Republicans John Cooper, 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. 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.

The State Chamber has a seat on an Advisory Group that has also been formed to 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 is also probable that the Group will work on this issue for about three years.

Part of the State Chamber's work on this issue, which began in the 2015 Legislative Session, includes maintaining a group that meets to discuss these issues. This group will be used to obtain information from impacted businesses to share with the 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).

### **LEGISLATIVE SESSION INFORMATION**

To view schedules, calendars, bill information and legislator information, visit: [www.arkleg.state.ar.us](http://www.arkleg.state.ar.us).

#### **Legislative Message Center**

House of Representatives: 501-682-6211

Senate: 501-682-2902

State Chamber/AIA Governmental Affairs Team:

Randy Zook, President/CEO:

[rzook@arkansasstatechamber.com](mailto:rzook@arkansasstatechamber.com)

Kenny Hall, Executive Vice President:

[khall@arkansasstatechamber.com](mailto:khall@arkansasstatechamber.com)

Andrew Parker, Director of Governmental Affairs:

[aparker@arkansasstatechamber.com](mailto:aparker@arkansasstatechamber.com)

Holly Wilson, Director of Governmental Affairs:

[hwilson@arkansasstatechamber.com](mailto:hwilson@arkansasstatechamber.com)

Toni Bahn, Director of Governmental Affairs:

[tbahn@arkansasstatechamber.com](mailto:tbahn@arkansasstatechamber.com)

State Chamber/AIA phone: (501) 372-2222

State Chamber/AIA web site: [www.arkansasstatechamber.com](http://www.arkansasstatechamber.com)

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*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

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