



Daily Legislative Update
92nd General Assembly
Friday, February 15, 2019 – Session Day 33

TODAY AT THE CAPITOL

The General Assembly is in recess until Monday.
Legislative Calendar: www.arkleg.state.ar.us

YESTERDAY AT THE CAPITOL

INCOME TAX REDUCTIONS

SB 211 by Sen. Jonathan Dismang and Rep. Joe Jett, the Governor's income reduction, was approved in the House yesterday by a vote of 82-14.

Here's a link to today's story in the Arkansas Democrat-Gazette:

<http://digital.olivesoftware.com/Olive/ODN/ArDemocrat/default.aspx?olv-cache-ver=20190130022630>

Here's a link to today's Talk Business & Politics report: <https://talkbusiness.net/2019/02/arkansas-house-adopts-gov-hutchinsons-97-million-tax-cut-plan-headed-for-his-signature/>

If you asked your State Representative to vote for SB 211, please say thank you!

VOCATIONAL AREA FUNDING

SB 135 by Sen. Kim Hammer and Rep. Bruce Cozart was approved in the House yesterday by a vote of 67 to 13. It will change funding for secondary vocational area centers from a per-student multiplier of \$3,250 to a tiered funding structure. It also sets forth requirements for the Department of Career Education to promulgate rules for the tiered funding structure distributing aid for each full-time equivalent student. **If you asked your State Representative to vote for SB 135, please say thank you.**

UAMS NATIONAL CANCER INSTITUTE DESIGNATION

SB 151 By Sen. Missy Irvin, Rep. Michelle Gray and others was approved in the House yesterday afternoon by a vote of 93-0. This bill creates the UAMS National Cancer Institute Designation Fund to be funded by private grants and other sources and used by the Rockefeller Cancer Institute at UAMS to achieve and maintain status as a National Cancer Institute (NCI)-Designated Cancer Center. It suggests the recruitment of an expert cancer researcher, nationally recognized medical professionals and a stream of funding between \$10-\$20 million to achieve the NCI status. The bill sunsets by 2027 if NCI status has not been achieved.

TEACHER PAY INCREASE

HB 1145 by Rep. Bruce Cozart is the Governor's plan to increase teacher pay. It was approved in the Senate yesterday by a vote of 35 to 0. It creates the Teacher Salary Enhancement Act, which

increases the amounts of teachers' compensation based on education level and experience for 2019-2021 and extends the pay increases from 2022-2023.

ECONOMIC DEVELOPMENT

SB 226 by Sen. Mat Pitsch received a Do Pass recommendation yesterday from the House Revenue & Taxation Committee. This bill makes changes to the income tax credit for donations or sales of machinery and equipment to certain educational institutions. Specifically, it makes provisions for cash donations for the purchase of new machinery or equipment.

OPPORTUNITY ZONES

SB 196 by Sen. Keith Ingram and Rep. Robin Lundstrum received a Do Pass recommendation from the House Revenue & Taxation Committee yesterday. This bill seeks to define the location of opportunity zones, for the purpose of computing Arkansas income tax liability, as a population census tract that is designated in federal law as a qualified opportunity zone as of January 1, 2019.

PENDING BILLS WE SUPPORT

BALLOT INITIATIVE REFORM - STATE CHAMBER/AIA PRIORITY ISSUE

SJR 10 and HJR 1008 by Sen. Mathew Pitsch and Rep. DeAnn Vaught are identical measures that we helped develop. They seek to amend the constitution to revise the process for ballot petitions. It repeals the 30-day signature cure period, moves the filing deadline for initiatives and signatures to January 15 and sets a deadline to file legal challenges on April 15, both dates in the General Election year. It also increases the vote majority required by the Legislature to make amendment referrals from a simple majority to a three-fifths (60%) majority and increases the number of counties from which a set number of signatures are required from 15 counties to three-fifths of the counties (45). The Senate State Agencies Committee is likely to start consideration of Joint Resolutions next week. This Resolution is part of our Legislative Agenda.

UNEMPLOYMENT INSURANCE – STATE CHAMBER/AIA PRIORITY ISSUE

SB 298 by Sen. Kim Hammer and Rep. Robin Lundstrum awaits consideration on the Senate floor. This bill, developed by the Department of Workforce Services (DWS), is part of our Legislative Agenda for the 2019 Session.

This bill adjusts the amount of wages paid by employers that is subject to the unemployment insurance tax, by calculating adjusted amounts according to unemployment statistics and the fund balance of the unemployment insurance trust fund. If it was in effect today, the wage base would drop from \$10,000 to \$8,000. It is possible, that by the time the law goes into effect, the wage base could be reduced to \$7,000, which is the federally enforced minimum.

A bill we had filed in 2017 reduced the wage base from \$12,000 to \$10,000. DWS reports that change produced \$43 million in annual savings to employers. Based upon this history, if adopted, **SB 298** would save Arkansas employers another \$40 to \$50 million annually!

MOTION PICTURE INCENTIVES

HB 1461 by Rep. Carlton Wing and Sen. Mathew Pitsch seeks to extend the Digital Product and Motion Picture Industry Development Act through 2029 and provides that the financial incentives are at the discretion of the Executive Director of the Economic Development Commission (AEDC). We support this bill that is part of the AEDC's legislative package.

ECONOMIC DEVELOPMENT

SB 225 by Sen. Mat Pitsch and Rep. Carlton Wing received a Do Pass recommendation yesterday by the House Agriculture, Forestry & Economic Development Committee. This bill seeks to make various changes to the operations of the Arkansas Economic Development Council and Arkansas Economic Development Commission, including assistance to rural communities and agencies, support of women-owned and minority-owned businesses, etc. It would authorize the council to dissolve committees and subcommittees as needed.

NEW BILLS

HIGHWAY FUNDING

SB 336 by Sen. Terry Rice and Rep. Mike Holcomb seeks to levy an indexed wholesale tax on motor fuel and places revenue from that and other sources in the State Highway Fund for maintenance of streets, highways and bridges. It also adds annual fees of \$100 and \$200, respectively, to hybrid and electric vehicle registration and transfers casino tax revenues in excess of \$31,200,000 annually, in an amount not to exceed \$35,000,000, to the State Highway Fund. Funding for highways is a State Chamber/AIA priority issue.

CONCURRENT CHALLENGE SCHOLARSHIP

SB 343 by Sen. James Sturch would create the Arkansas Concurrent Challenge Scholarship, establishing requirements, funding and award amounts. It would require the student to be a resident, or at least one parent to be a resident, in order to be eligible for the scholarship. It would fund the scholarship with excess funding returned to the Office of the Arkansas Lottery from the previous academic year. Also, it would provide that \$20,000,000 is needed to maintain the Scholarship Shortfall Reserve Account; if less than \$250,000 is available a scholarship will not be awarded. Finally, it would provide that a student may be awarded \$125 for up to two endorsed concurrent enrollment credit courses. We support this bill.

SB 342 by Sen. John Cooper makes various changes to the Contractor's Licensing Board's authority and procedures for financial statements, surety bond requirements, and other regulatory functions. Specially it seeks to:

Establish a Class A misdemeanor for noncompliance, each day in which this occurs is a separate offense.

Provide that if a contractor who is licensed or registered and is suspected of abuse or neglect their license will be suspended by emergency; the suspension becomes effective immediately and may be effective for 30 days or less. Following the ordering of an emergency suspension, a revocation proceeding will be instituted.

Provide that an applicant may provide a surety bond from an authorized surety business in the state, or a surety listed on the current United States Department of the Treasury's list of approved sureties, requires that the bond must be 10 times the required net worth for the applicant's license, and that the surety must maintaining an A rating.

Provide that the surety bond can be canceled if the applicant presents a financial statement that meets the net worth requirements for the license notification must be made to the board by the surety 60 days before cancellation.

PENDING BILLS WE OPPOSE

FOIA EXPANSION

SB 231 by Sen. Kim Hammer seeks to redefine public records and the Freedom of Information Act to extend to a private entity expending a minimum of 20 percent of its time, resources and efforts in support of a government entity. It awaits consideration in the Senate State Agencies Committee.

SPECIAL ELECTIONS

HB 1402 by Rep. Justin Gonzales and Sen. David Wallace would require any special elections in years with a preferential primary election or general election to be held on those election dates. It would also require special elections in off-cycle years to be held on the Tuesday next after the first Monday in May or the Tuesday after the first Monday in November. Additional provisions include: requires special elections be announced 75 days prior to election, provides exemptions for special elections to fill vacancies, special runoff elections, or emergency special elections, provides local boards that vote for a tax levy must be approved by voters in the next available election and makes its effective date contingent upon sufficient funding.

DECEPTIVE TRADE PRACTICES

HB 1462 by Rep. Jimmy Gazaway provides that a person has a cause of action for actual damages or injury resulting from deceptive trade practices and may recover those damages and attorney's fees. It also removes the definition of actual financial loss as used for deceptive trade practices. We are reviewing this bill, but it appears to make it easier to win deceptive trade practices lawsuits, which we would oppose.

NIGHT SKY PROTECTION

HB 1309 by Rep. Stephen Meeks is on today's agenda in the House Public Health, Welfare and Labor Committee. It would create the Nighttime Environment Protection Act to regulate outdoor night lighting fixtures. It would also establish cost and other considerations for a state agency, public corporation, county, or municipality to use public funds to operate, maintain, install, or cause to be installed, shielded outdoor lighting in new or replacement outdoor lighting fixtures. Rep. Meeks is working on an amendment.

BILLS TO WATCH

LOCAL ZONING

SB 170 by Sen. Bart Hester and Rep. Bruce Cozart awaits consideration in the House City, County and Local Affairs Committee. It seeks to place restrictions on counties and municipalities regarding residential building design regulations in designated locations, subject to safety codes or other state or federal laws. Many local chambers join others with concerns about the bill. We understand multiple amendments are under development.

STATE CHAMBER/AIA TRACKED BILLS

Senators filed 26 bills yesterday and have now filed 344 bills. House members filed 20 bills yesterday and have now filed 486 bills. We added 5 bills to our tracking, which brings our total to 282 bills and resolutions.

New bills added to our tracking can be viewed by clicking this link: <https://arkansasstatechamber-my.sharepoint.com/:w:/p/khall/ESdrTsCSRHplsSu8Qe1iQacBJ3ndAKum0tYwwiBf-g9z6A?e=AniObK>

All bills we are tracking are posted on our website, by category, and can be reviewed by clicking this link: <https://www.arkansasstatechamber.com/governmental-affairs/legislative-tracking/>

LEGISLATIVE SESSION INFORMATION

To view schedules, calendars, bill information and legislator information, click: www.arkleg.state.ar.us.

Legislative Message Center

House of Representatives: 501-682-6211
Senate: 501-682-2902

State Chamber/AIA 2019 Legislative Agenda

To review our 2019 Legislative Agenda, click this link: <https://www.arkansasstatechamber.com/wp-content/uploads/2019/01/AR-StateChamberAIA-2019-Legislative-Agenda.pdf>

Live Streaming from the Capitol

The House and Senate have links to live streaming of their committee meetings and floor session on their webpage.

House: <https://www.arkansashouse.org/>
Senate: <http://www.arkansas.gov/senate/>

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