



Daily Legislative Update
92nd General Assembly
Monday, February 18, 2019 – Session Day 36

TODAY AT THE CAPITOL

The Senate will convene at 1 p.m. and the House at 1:30 p.m.
Legislative Calendar: www.arkleg.state.ar.us

THIS WEEK AT THE CAPITOL- STATE CHAMBER/AIA PRIORITY ISSUES

BALLOT INITIATIVE REFORM

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 3/5ths (60%) majority and increases the number of counties from which a set number of signatures are required from 15 counties to 3/5ths 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.

HIGHWAY FUNDING

SB 336 by Sen. Terry Rice and Rep. Mike Holcomb and **SJR 14** by Sen. Lance Eads and Rep. Jeff Wardlaw are the Governor's plan for highway funding.

SB 336 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.

SJR 14 seeks to amend the constitution to continue the one-half percent sales tax that provides additional funding for four-lane highways, county roads and city streets.

Matt Boch of the law firm Dover Dixon Horne PLLC provided excellent summaries of the Tax Relief and Reform Task Force meetings. He has now prepared a terrific review of the highway proposals. Click the following link to review Matt's analysis.

<http://www.doverdixonhorne.com/artaxandincentivesupdate/post/individual-tax-cuts-pass-time-for-the-highway-funding-bill>

Funding for highways is a State Chamber/AIA priority issue, we fully **support SB 336 and SJR 14.**

UNEMPLOYMENT INSURANCE

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!

TODAY IN THE CAPITOL - BILLS WE SUPPORT

ECONOMIC DEVELOPMENT

SB 226 by Sen. Mat Pitsch is on this afternoon's House Calendar for final passage. 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.

SB 225 by Sen. Mat Pitsch and Rep. Carlton Wing is on this afternoon's House Calendar for final passage. 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.

OPPORTUNITY ZONES

SB 196 by Sen. Keith Ingram and Rep. Robin Lundstrum is on this afternoon's House Calendar for final passage. 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

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 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. It awaits consideration in the Senate Education Committee.

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). This bill is part of the AEDC's legislative package. It awaits consideration in the House Rules Committee.

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; requiring 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. It awaits consideration in the House State Agencies Committee.

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 believe this bill would make it easier to win deceptive trade practices lawsuits. It awaits consideration in the House Insurance and Commerce Committee.

NIGHT SKY PROTECTION

HB 1309 by Rep. Stephen Meeks is on today's House Calendar to adopt Amendment. You can review the amendment by clicking this link:

<http://www.arkleg.state.ar.us/assembly/2019/2019R/Amendments/hb1309-H1.pdf>

As filed, this bill seeks to 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.

BILLS TO WATCH

LOCAL ZONING

SB 170 by Sen. Bart Hester and Rep. Bruce Cozart awaits consideration 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. Multiple amendments are under development.

INVASION OF PRIVACY

SB 230 by Sen. Kim Hammer, seeks to create a statutory civil action for invasion of privacy, authorizing a person to bring suit for damages and injunctive relief against a person who improperly

intrudes into his or her private affairs or publicizes the person in a false light. It awaits consideration in the House State Agencies Committee.

BILLS OF INTEREST

CONTRACTOR'S LICENSING BOARD'S AUTHORITY

SB 342 by Sen. John Cooper awaits consideration in the Senate State Agencies Committee. It makes various changes to the Contractor's Licensing Board's authority and procedures for financial statements, surety bond requirements, and other regulatory functions. The bill also 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 register 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 ten 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.

RECIPROCAL LICENSING

HB 1301 by Rep. Bruce Cozart seeks to require professional licensing boards and other entities to adopt the least restrictive requirements for reciprocal licensing of persons who hold relevant licenses in other states, through issuance of temporary one-year licenses. It would allow for occupational licensing entities to grant one-year temporary licenses if the individual holds a previous or current licensing in another state. This bill is on today's House Calendar.

SCHOOL COUNSELING

SB 199 by Sen. Breanne Davis and Rep. DeAnn Vaught. It seeks to repeal the Public School Services Act and create the School Counseling Improvement Act under which each public school district is required to develop and implement a comprehensive school counseling program utilizing specific frameworks. Other provisions in the bill include:

Provides that school counselors should spend at least 90% of their working time providing direct and indirect services to students.

Allows counselors to intervene with students who are at risk of dropping out to help determine if there is a way to keep the students in school.

Requires that each school district publish an annual comprehensive school counseling plan on their website.

Requires the Department of Education to employ at least one certified school counselor.

STATE CHAMBER/AIA TRACKED BILLS

House members filed three bills Friday and only one bill was filed in the Senate. Total bill filings in the House is 489 and 345 bills have been filed in the Senate. We added one bill, **SB 345**, to our tracking, which brings our total to 283 bills and resolutions.

ACCIDENT AND HEALTH INSURANCE PREMIUM TAX

SB 345 by Sen. Jim Hendren addresses an issue that came up in the Tax Relief & Reform Task Force meetings. The bill seeks to reduce the credit available to offset the accident and health insurance premium tax and provide a cap on the credit available to offset the accident and health insurance premium tax.

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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