



## Daily Legislative Update

### 92<sup>nd</sup> General Assembly

Tuesday, February 19, 2019 – Session Day 37

## 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](http://www.arkleg.state.ar.us)

## TODAY AT THE CAPITOL - BILLS WE SUPPORT

### UNEMPLOYMENT INSURANCE – STATE CHAMBER/AIA PRIORITY BILL

**SB 298** by Sen. Kim Hammer and Rep. Robin Lundstrum is on the Senate Calendar this afternoon. 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!

### 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.

## TODAY AT THE CAPITOL – BILLS WE OPPOSE

### FOIA EXPANSION

**SB 231** by Sen. Kim Hammer is on this morning's agenda in the Senate State Agencies Committee. The bill 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. We join many entities opposed to this bill.

## PENDING STATE CHAMBER/AIA PRIORITY ISSUES

### 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** is on tomorrow's agenda in the Senate State Agencies Committee. The bill 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 with a minimum of \$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.

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

### BALLOT INITIATIVE REFORM

**SB 336 and HB 1489** by Mathew Pitsch and Rep. DeAnn Vaught are identical measures filed yesterday and have been assigned to their respective State Agencies Committees. We worked with the sponsors and others to develop these bills, which are designed to complement the changes proposed in **SJR 10** and **HJR 1008**.

**SB 336 and HB 1489** seek to require the State Board of Election Commissioners, rather than the Attorney General, to determine whether a submitted ballot title and popular name are sufficient. These bills also amend the signature approval process by the Secretary of State. Finally, the bills clean up requirements on signature gatherers.

**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 most recent information we have is the constitutional amendment proposals will be reviewed next week or the week after.

## PENDING BILLS WE SUPPORT

### CONCURRENT CHALLENGE SCHOLARSHIP

**SB 343** by Sen. James Sturch is on tomorrow's agenda in the Senate Education Committee. It 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.

### MOTION PICTURE INCENTIVES

**HB 1461** by Rep. Carlton Wing and Sen. Mathew Pitsch is on tomorrow's agenda in the House Rules Committee. It 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.

### ECONOMIC DEVELOPMENT

**HB 1490** by Rep. Carlton Wing and Sen. Mat Pitsch was filed yesterday and assigned to the House Agriculture, Forestry & Economic Development Committee, which meets tomorrow. This bill is backed by the Arkansas Economic Development Commission and we support it.

The bill is the first major review of the Consolidated Incentives Act of 2003 since it was established. The current law is unclear regarding eligibility criteria of several incentive programs, notably the targeted business and research and development credits. The purpose of amending the existing law is to encourage higher paying jobs.

#### Summary of bill actions:

- Make technical and grammatical corrections.
- Updates the law to reflect changes to the NAICS code in 2017.
- Amends some definitions and eligibility requirements for clarity and consistency with other incentive programs (e.g., various National Science Foundation research incentives).
- Provides enhanced payroll incentives for higher paying wages.
- Adds eligibility for air and rail transportation support activities.
- Limits eligible expenditures for research and development programs to wages and benefits paid to employees and contractors involved in research activities.
- Specifies process by which counties may upgrade one tier for sudden and severe period of economic distress in order to receive enhanced programs benefits.
- Reduces the percentage of out-of-state sales from 75% to 51% and increases the average wage requirement to be eligible for certain program benefits.
- Adds a tiered structure to the Tax Back Program so that the required investment necessary to receive program benefits will depend on the tier assigned to the county where project is located. (previously all projects had \$100k investment threshold).
- Adds a tiered structure that lowers payroll thresholds for the Create Rebate program from \$2M to \$1.75M in Tier 2 counties, \$1.5M in Tier 3 counties, and \$1.25 M in tier 4 counties, in exchange for an average hourly wage threshold of \$12.50 (no wage threshold under current law.)

## PENDING BILLS WE OPPOSE

### SPECIAL ELECTIONS

**HB 1402** by Rep. Justin Gonzales and Sen. David Wallace is on tomorrow's agenda in the State Agencies Committee. It 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 it effective date contingent upon sufficient funding. It awaits consideration in the House State Agencies Committee.

### DECEPTIVE TRADE PRACTICES

**HB 1462** by Rep. Jimmy Gazaway is on tomorrow's agenda in the House Insurance & Commerce Committee. It 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 was amended yesterday. 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 is on tomorrow's agenda 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. Multiple amendments are under development.

### INVASION OF PRIVACY

**SB 230** by Sen. Kim Hammer is on tomorrow's agenda in the Senate Judiciary Committee. It 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 is on this morning's agenda 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 passed in the House yesterday by a vote of 95 to 0 and it on today's agenda in the Senate Public Health, Welfare and Labor Committee. That committee will only be hearing scope of medical practice bills today. The bill 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 is a bill sponsored by Governor Hutchinson and is on this afternoon's House Calendar. The bill 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 14 bills yesterday and 32 bills were filed in the Senate. The House has now filed 502 bills and the Senate 377 bills. We added 34 bills to our tracking. We are now tracking 317 bills and resolutions.

## **NEW BILLS OF INTEREST**

Twenty bills were filed that deal with technical corrections. The bill numbers begin with **SB 354 and end with SB 373**. They are all included in the New Bills Added to Tracking report linked below.

New Bills Added to Tracking Report: <https://arkansasstatechamber-my.sharepoint.com/:w:/p/khall/EUpU7xaPmWBPmR2oaHSTiz4BILcbMM-eNghnFozlNIZR0g?e=gRcBqH>

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](http://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/>

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)

Toni Lindsey, Director of Governmental Affairs:

[tlindsey@arkansasstatechamber.com](mailto:tlindsey@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, reviewed by Randy Zook, then 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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