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93rd General Assembly Wednesday, March 3, 2021 – Session Day 52

TODAY AT THE CAPITOL

The House and Senate convened at 1 p.m.

COMMITTEE MEETINGS

9:30 a.m. – House Insurance/Commerce and State Agencies | Senate Judiciary and Tax

Noon – House Rules

12:30 p.m. – House Management

2:00 p.m. – House Aging | Senate Education and Health

To view the full schedule of committee meetings, floor calendars, their agendas and video access, click [here](#).

TODAY AT THE CAPITOL

UNEMPLOYMENT INSURANCE

HB 1407 AND HB 1409 by Rep. Robin Lundstrum and Sen. Ricky Hill seek to cap the stabilization tax for 2022 (**HB1407**) and cap the wage base at \$10,000 for 2022 (**HB1409**). *These bills received Do Pass recommendation from the House Public Health, Welfare and Labor Committee yesterday and are on this afternoon's House Calendar.*
The State Chamber/AIA supports HB 1407 and 1409.

TOMORROW AT THE CAPITOL

*PROTECTING CRITICAL INFRASTRUCTURE

HB 1321 by Rep. Jimmy Gazaway lists types of enclosed areas that are considered critical infrastructure and adds those areas to criminal mischief and trespass offenses. *This bill is on the March 4 agenda in the House Judiciary Committee.*
HB 1321 is a State Chamber/AIA Priority bill we support.

CONTRACTORS AND PURCHASING

SB 260 by Sen. Kim Hammer and Rep. Keith Brooks would prohibit the use of an experience modification factor in a contract for construction services as a means of determining eligibility to participate in the solicitation or to be awarded a contract. *This bill is on the March 4 agenda in the Senate Insurance & Commerce Committee.*
The State Chamber/AIA opposes SB 260.

*FEDERAL INCOME TAX SAVINGS FOR PASSTHROUGH ENTITIES

HB 1209 by Rep. Joe Jett will help about 40,000 Arkansas businesses reduce their federal taxes by an estimated \$50 million or more while generating \$4 million in state revenue. The businesses impacted are those set up as passthrough entities—the owners pay tax at the individual level on their business income. Most businesses are set up this way. Under federal law, businesses can deduct state and local taxes (“SALT”) they have paid without a

cap, but the individual SALT deduction is limited to \$10,000 for individuals—this is the “SALT cap.” **HB 1209** would let passthrough businesses choose (elect) to instead pay Arkansas tax at the entity level, as a flat tax at the top rate of 5.9%, such that the Arkansas tax should be 100% deductible for federal purposes. The IRS recently blessed the validity of this approach in Notice 2020-75. Several states have already adopted such options, including Oklahoma and Louisiana, and more are expected to adopt them in the coming year.

This bill is on the March 4 agenda in the House Revenue and Taxation Committee

This is a State Chamber/AIA Priority Agenda bill we support.

ARHOME – NEW MEDICAID EXPANSION PROGRAM[^]

SB 410 by Sen. Missy Irvin and Rep. Michelle Gray seeks to create the Arkansas Health and Opportunity for Me Act of 2021 (ARHOME), replacing the Arkansas Works Program for expanded Medicaid coverage. It creates incentives for individuals to gain qualified health insurance premium assistance.

This bill is on the March 4th agenda in the Senate Insurance and Commerce Committee.

The State Chamber/AIA supports SB 410.

YESTERDAY AT THE CAPITOL

***PHASE OUT OF SOFT DRINK TAX**

HB 1546 by Rep. Lanny Fite and Sen. David Wallace seeks to sunset the Soft Drink Tax Act by 2025 and distributes additional funds to offset the effect of phasing out the tax on the Arkansas Medicaid Program Trust Fund. Phase out begins tax year 2023. The bill provides for transfer of funds to the Arkansas Medicaid Program Trust Fund for the fiscal year beginning: July 1, 2022, \$4,108,00; 2023, \$16,022,000; for 2024, \$30,811,000; for 2025 and onward, \$39,438,000.

Testimony and member comments were heard on this bill on March 2 in the House Revenue & Taxation Committee. A vote will occur in the future.

The State Chamber/AIA supports this bill.

NEW BILLS

PRINTING AND MACHINERY SALES TAX EXEMPTION

HB 1596 by Rep. Joe Jett and Sen. Jonathan Dismang seeks to extend existing sales and use tax exemptions for items sold for resale to include property sold for use in printing and extend the sales tax exemption for certain machinery and equipment to include articles of commerce. It sets the effective date on the first day of the calendar quarter following the effective date of the act.

This bill has been assigned to the House Revenue & Taxation Committee.

HB 1596 is a State Chamber/AIA Priority Agenda bill that we support.

BILLS WE OPPOSE

MEDICAL ETHICS[^]

SB 289 by Sen. Kim Hammer and Rep. Brandt Smith seeks to ensure a right of conscience for all healthcare institutions, healthcare payers and medical practitioners, prohibiting discrimination based on medical decisions made due to religious, moral, ethical or philosophical principles with limited exceptions.

This bill was defeated in the House Public Health, Welfare and Labor Committee Feb. 10. It is likely to come up again and amendments are being discussed.

The State Chamber/AIA opposes this bill.

PENDING BILLS WE SUPPORT

***WORKERS COMPENSATION[^]**

HB 1488 by Rep. Justin Gonzales and Sen. Ben Gilmore is designed to allow an employee to make a claim under workers' compensation for COVID-19 if the employee proves it is a workplace exposure. This provides protection for employers against workers' compensation claims becoming tort claims simply because the employer knows exposure

to COVID-19 is possible, likely, or certain. Workers' Compensation is the exclusive remedy for workers injured on the job in Arkansas, which means that they cannot sue their employers in court for on-the-job injuries. The Arkansas Supreme Court has ruled that intentional acts by the employer are exempt from the exclusive remedy doctrine, allowing employees to sue employers in court for intentional acts.

The House passed this bill on March 1, 74 to 9. It has been assigned to the Senate Public Health, Welfare and Labor Committee.

HB 1488 is a State Chamber/AIA Priority bill we support.

COVID LIABILITY PROTECTION FOR HEALTHCARE WORKERS^

HB 1521 by Rep. Austin McCollum and Sen. Ben Gilmore will provide some level of protection against COVID-19 personal injury claims against healthcare workers for any damages, injuries, or death caused by or resulting from COVID-19 as follows., which will require the General Assembly to revisit this law in the next regular session, evaluate the status of COVID-19 and decide whether to renew it, let it expire or modify and extend it.

The House passed this bill on March 1, 80 to 12. It has been assigned to the Senate Public Health, Welfare and Labor Committee.

The State Chamber/AIA supports HB 1521.

***CREATION OF INDEPENDENT TAX APPEALS COMMISSION^**

HB 1468 by Rep. Joe Jett and Sen. Blake Johnson would create the Independent Tax Appeals Commission within the Department of the Inspector General to resolve disputes between taxpayers and the Department of Finance and Administration.

This bill is expected to be considered on March 9 in the House Revenue & Taxation Committee.

This is a State Chamber/AIA Priority bill, which we support.

COVID LIABILITY PROTECTION FOR BUSINESSES^

HB 1487 by Rep. Justin Gonzales and Sen. Ben Gilmore will provide some level of protection against COVID-19 personal injury claims against businesses for any claims for damages, injuries, or death caused by or resulting from exposure to Covid-19 as follows.

This bill awaits consideration in the House Judiciary Committee.

The State Chamber/AIA supports this bill.

***INCOME TAX FILING DEADLINE CHANGE^**

SB 420 by Sen. Jonathan Dismang and Rep. Joe Jett will set the deadline for state income tax returns following application for a federal extension to one month after the federal deadline for tax returns that have been granted federal extension.

This bill has been assigned to the Senate Revenue & Taxation Committee.

SB 420 is a State Chamber/AIA Priority Agenda bill that we support.

BILLS WITH CONCERNS

We have been contacted about concerns on the following bills. We would like to hear more information about each bill.

EMINENT DOMAIN – STATE AGENCIES

SB 334 by Sen. Bob Ballinger and Rep. Justin Gonzales would define abandoned property as commercial or residential property that has not been occupied or used for at least 1 year, has been cited for violations of housing, building, or fire codes that have not been remedied within 180 days from the date of citation, and has accrued at least 2 years of delinquent property taxes. It also would provide that a state agency must request an administrative warrant from a judge or magistrate to gain access to inspect a building on a property; provides that the judge may provide evidence of violation to the state agencies, of which the agency can then use as probable cause. Finally, it would allow for the owner of private property to bring a cause of action in circuit court to determine if his or her private property is lawfully being taken; provides that the burden of proof is borne by the state agency.

This bill received a Do Pass recommendation this morning from the Senate Judiciary Committee.

EMINENT DOMAIN – LOCAL GOVERNMENTS

SB 335 by Sen. Bob Ballinger and Rep. Justin Gonzales seeks to place restrictions on the

use of eminent domain by local governments and introduce numerous definitions to existing relevant laws. It would define abandoned property as commercial or residential property that has not been occupied or used for at least 1 year, has been cited for violations of housing, building, or fire codes that have not been remedied within 180 days from the date of citation, and has accrued at least 2 years of delinquent property taxes. It also would provide that a local government must request an administrative warrant from a judge or magistrate to gain access to inspect a building on a property; provides that the judge may provide evidence of violation to the local government, of which the agency can then use as probable cause. Finally, it would allow the owner of private property to bring a cause of action in circuit court to determine if his or her private property is lawfully being taken; and provides that the local government bears the burden of proof.

This bill received a Do Pass recommendation this morning from the Senate Judiciary Committee.

APPRENTICESHIPS AS ALTERNATIVE TO LICENSING^

HB 1553 by Rep. Joshua Bryant and Sen. Bart Hester seeks to create the Earn and Learn Act of 2021, requiring a licensing entity to grant a license to persons who have completed an apprenticeship in the licensed occupation or profession and are otherwise qualified.

This bill awaits consideration in the House Judiciary Committee.

RIGHT TO REPAIR

SB 332 by Sen. Missy Irvin and Rep. Jim Dotson seeks to require the original equipment manufacturer of digital medical equipment to make available to an independent repair provider for a medical facility or an owner of digital electronic equipment documentation, parts, service tools, etc. Would become effective on January 1, 2022.

This bill has been assigned to the Senate Public Health, Welfare and Labor Committee.

SHIELDED OUTDOOR LIGHTING ACT CHANGES^

HB 1584 by Rep. Stephen Meeks seeks to amend the Shielded Outdoor Lighting Act, renaming it the Arkansas Nighttime Environment Protection Act.

This bill has been assigned to the House Public Health, Welfare and Labor Committee.

STATUS REPORT: STATE CHAMBER/AIA PRIORITY AGENDA BILLS | SUPPORTED BILLS | OPPOSED BILLS

To view a list, summary and status of all bills that are part of our Priority Agenda, bills we support, bills we oppose and bills we're watching, click [here](#).

* State Chamber/AIA Priority Agenda Bill | ^See Status Report link for bill summaries.

STATE CHAMBER/AIA BILL TRACKING

Total Bills Filed: 1068 | New Bills Filed: Senate 8 | House 18

Bills and resolutions added to State Chamber/AIA Tracking: 6 | Total Tracked: 377

To view a list of the new bills added to our tracking, click [here](#).

To see all tracked bills saved by category, click [here](#).

LEGISLATIVE SESSION INFORMATION

To view schedules, calendars, bill information and legislator information, click [here](#).

To view the statement regarding Capitol access and committee attendance, click [here](#).

Legislative Message Center

House of Representatives: 501-682-6211

Senate: 501-682-2902

STATE CHAMBER/AIA INFORMATION

2021 LEGISLATIVE AGENDA

To view the State Chamber/AIA's legislative agenda, click [here](#).

BILL SCORING

Floor votes on bills that address issues in our Legislative Agenda and/or are discussed in a Daily Legislative Update are subject to being scored.

State Chamber/AIA Governmental Affairs Team

- Randy Zook, President/CEO
rzook@arkansasstatechamber.com
- Kenny Hall, Executive Vice President
khall@arkansasstatechamber.com
- Andrew Parker, Director of Governmental Affairs
aparker@arkansasstatechamber.com
- Toni Lindsey, Director of Governmental Affairs
tlindsey@arkansasstatechamber.com

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

State Chamber/AIA web site: 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

STAY CONNECTED



Arkansas State Chamber of Commerce/Associated Industries of Arkansas
1200 W. Capitol Ave., Little Rock, AR 72201
P.O. Box 3645, Little Rock, AR 72203
501-372-2222 | arkansasstatechamber.com