

Visit our Website



**93rd General Assembly  
Tuesday, March 9, 2021 – Session Day 58**

**\*\*\* CALL TO ACTION \*\*\***

**FEDERAL INCOME TAX SAVINGS FOR PASSTHROUGH ENTITIES | State Chamber/AIA Priority Agenda Bill**

Please ask your State Representative to support HB 1209, which is on this afternoon's House Calendar. It will require a 75% majority vote to pass.

**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.

**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%, which would allow the Arkansas taxes paid to 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 is a State Chamber/AIA Priority Agenda bill we support.

**TODAY AT THE CAPITOL**

The House and Senate will convene at 1 p.m. this afternoon.

**Committee Meetings**

7:30 a.m. – JBC-Personnel

8:30 a.m. – Joint Budget

9:30 a.m. – Senate Ag | House Education, City/County/Local and Transportation

2:00 p.m. – Senate State Agencies and Insurance/Commerce | House Judiciary and Health

**TODAY'S BILLS**

**PROTECTING CRITICAL INFRASTRUCTURE | State Chamber/AIA Priority Agenda Bill**

**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 today's House Calendar.*

HB 1321 is a State Chamber/AIA Priority 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.

*An amendment was adopted yesterday, and the bill is on this afternoon's Senate Calendar.*

The State Chamber/AIA supports SB 410.

## **RIGHT TO REPAIR**

**SB 461** by Sen. Trent Garner seeks to require an original equipment manufacturer of farm equipment to make available on reasonable terms any documentation, tools, or parts, including software updates, necessary to maintain or repair the equipment. It would prohibit an original equipment manufacturer from intentionally abandoning or disrupting embedded software on older versions of equipment through a planned change or upgrades to firmware and provide that violation of this is an unfair and deceptive act as defined by the Deceptive Trade Practices Act, stating that all authority granted to the Attorney General under the Deceptive Trade Practices Act will be available for enforcement. It excludes the following: motor vehicle and equipment manufacturers or a motor vehicle dealer that is acting in the capacity of a motor vehicle manufacturer. It would apply to farm equipment sold or in use on or after Jan. 1, 2022.

*This bill is on today's Senate Agriculture and Economic Development Committee agenda.*

## **RAILROAD MINIMUM CREW REQUIREMENT**

**HB 1524** by Rep. Josh Miller would require a minimum of two crew members for operation of a freight, passenger or commuter Class I railroad train. It also would require the State Highway Commission to impose administrative penalties between \$5,00 and \$10,000 for noncompliance, and of \$500,000 for grossly negligent violations. Exemptions include excursion trains, trains performing a helper service, hostler service, or mine load out and remote-control railroad train operators. It would authorize the Highway Director to exempt trains operating at 15 mph or less on tracks with low grade.

*This bill is on today's agenda in the House Transportation Committee.*

The State Chamber/AIA opposes this bill.

## **CLOSING OF AEDC CHINA OFFICE**

**SB 252** by Sen. Trent Garner would prohibit the Arkansas Economic Development Commission from establishing or maintaining an office in China and close any existing offices in China as of the effective date of the act.

*This bill is on today's agenda in the Senate State Agencies Committee.*

The State Chamber/AIA opposes this bill.

## **TOMORROW'S BILLS**

### **WORKERS COMPENSATION | State Chamber/AIA Priority Agenda Bill**

**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.

*This bill is on the March 10 Senate Public Health, Welfare and Labor Committee agenda.*

The State Chamber/AIA supports HB 1488.

### **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.

*This bill is on the March 10 agenda in the Senate Public Health, Welfare and Labor Committee.*

The State Chamber/AIA supports HB 1521.

## UNEMPLOYMENT INSURANCE

**HB 1407 AND HB 1409** by Rep. Robin Lundstrum and Sen. Ricky Hill seek to cap the unemployment insurance stabilization tax for 2022 (**HB1407**) and cap the wage base (amount of each employee's wages subject to UI tax) at \$10,000 for 2022 (**HB1409**). *These bills are on the March 10 agenda in the Senate Public Health, Welfare and Labor Committee.*

The State Chamber/AIA supports HB 1407 and 1409.

## PARTISAN LOCAL ELECTIONS

**HB 1655** by Rep. Clint Penzo and Sen. Bart Hester seeks to require an organized political party to conduct a party primary for a political subdivision of the state upon request of the subdivision.

*This bill is on the March 10 agenda in the House State Agencies Committee.*

## STATE CHAMBER/AIA PRIORITY AGENDA BILLS

**TO VIEW A BILL SUMMARY AND LAST THREE ACTIONS ON 19 BILLS THAT ARE PART OF THE STATE CHAMBER/AIA PRIORITY AGENDA, [CLICK HERE](#).**

## NEW BILLS

### OCCUPATIONAL LICENSING

**HB 1667** by Rep. Tony Furman would require all occupational licensing entities to recognize licenses from other states and grant licenses based on work experience in other states if that state does not require a license.

a) Provides that the licensee must have had the license for at least one year; requires that if a license is granted based on work experience, the applicant must have worked 3 years in the occupation.

b) Requires entities to investigate disciplinary actions taken and determine if the matter is resolved before issuing a license.

c) Prohibits issuance of a license if the licensee has had their license revoked or has unresolved or pending disciplinary actions.

d) Requires entities to report data regarding applications for licensure to the Department of Labor and Licensing and publish the report on a searchable public website.

e) Requires all entities to promulgate rules to implement the act.

f) Sets effective date of January 1, 2022.

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

The State Chamber/AIA opposes this bill because it is another overbroad occupational licensing bill that is similar to some of the first ones filed a few years ago.

**TO VIEW A LIST OF 13 NEW BILLS ADDED TO OUR TRACKING, [CLICK HERE](#).**

## BILLS WITH CONCERNS

We have been contacted about concerns on the following bills and in some cases about support.

### 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. This would become effective on Jan. 1, 2022.

*This bill awaits consideration in 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 was amended today and awaits consideration in the House Public Health, Welfare and Labor Committee.*

### **CIVIL EVICTION PROCESS**

**HB 1563** by Rep. Jimmy Gazaway would establish a civil eviction process, including provisions on notice, complaint requirements, jurisdiction, civil pleadings, etc. and prohibits certain terms and conditions in rental agreements and also create a duty that the landlord maintain habitable premises.

*This 20-page bill was amended today and awaits consideration in the House Insurance and Committee.*

### **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 amended March 9.*

## **YESTERDAY AT THE CAPITOL**

### **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.

*The Senate approved 30 to 3.*

### **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; provides that the burden of proof is borne by the local government.

*The Senate approved 27 to 2.*

## **STATE CHAMBER/AIA BILL TRACKING**

Total Bills Filed: 1174 | New Bills Filed: Senate 13 | House 14

Bills and resolutions added to State Chamber/AIA Tracking: 13 | Total Tracked: 428

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](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)

To unsubscribe to *Daily Legislative Updates*, please e-mail Deb Mathis at [dmathis@arkansasstatechamber.com](mailto:dmathis@arkansasstatechamber.com) and write "Unsubscribe Daily Legislative Update" in the subject box.

*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](http://arkansasstatechamber.com)