



93rd General Assembly Tuesday, March 16, 2021 – Session Day 65

TODAY AT THE CAPITOL

The House and Senate convened at 1 p.m. this afternoon.

Committee Meetings

7:30 a.m. – Joint Budget Committee-Personnel

8:30 a.m. – Joint Budget

9:00 a.m. – House Education

9:30 a.m. – Senate City/County/Local | House Public Transportation

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

TODAY'S BILLS

INDEPENDENT TAX APPEALS COMMISSION-State Chamber/AIA Priority Agenda bill

HB 1468 by Rep. Joe Jett and Sen. Jonathan Dismang is our bill that seeks to create an Independent Tax Appeals Commission. **HB 1705** is a technical companion bill. The Department of Finance and Administration (DFA) is the state's tax collection and audit agency. When a taxpayer challenges a ruling by DFA, they have a hearing with a DFA hearing officer. If the taxpayer appeals that decision, it goes before a panel of DFA officials. As you might guess, DFA wins over 90 percent of these appeals.

These bills are on this afternoon's agenda in the House Revenue & Taxation Committee.

The State Chamber/AIA supports **HB 1468** & **HB 1705**.

SCIENCE OF READING

SB 349 by Sen. Alan Clark and Rep. Keith Brooks seeks to prohibit schools from using reading programs that are not aligned with the science of reading. This bill was amended March 11 to primarily address how to enforce.

This bill is on this afternoon's Senate Calendar.

The State Chamber/AIA supports the science of reading.

PROHIBIT MANDATORY COVID IMMUNIZATIONS OR VACCINES

HB 1547 by Rep. Robin Lundstrum and Sen. Breanne Davis proposes an Act to Prohibit Mandatory 2019 (COVID-19) Immunizations or Vaccines for students and employees. This bill has been amended since it was filed.

It is on this afternoon's House Public Health, Welfare and Labor Committee.

We oppose this bill.

AUTONOMOUS VEHICLES

HB 1562 by Rep. Austin McCollum and Sen. Lance Eads would make various changes to autonomous vehicle regulations and limit local entities' authority to impose requirements. It also would authorize on-demand driverless capable vehicle networks, which may connect a passenger or goods to a fully autonomous vehicle.

This bill is on this afternoon's House Transportation agenda.

We support this bill.

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 in the House.

This bill was approved by the House 72 to 20 and has been returned to the Senate for concurrence in a House amendment.

CHANGES TO APPRENTICESHIP

HB 1553 by Rep. Joshua Bryant and Sen. Bart Hester proposes to Create the 2021 Earn and Learn Act. This bill has been amended since it was filed.

This bill is on this afternoon's agenda in the House Public Health, Welfare and Labor Committee.

This bill has been amended a couple times and we are waiting to hear from the impacted business segments.

GUNS IN EMPLOYER PARKING LOTS

HB 1486 seeks to repeal and replace the law concerning possession of a firearm in a private employer parking lot.

This bill is on the House Judiciary Committee agenda this afternoon.

CHANGES TO ADFA BOARD

SB 475 seeks to change the board composition and appointment process of the Arkansas Development Finance Authority and require house-related tax credits to be awarded equally among the four congressional districts each year.

This bill is on the Senate Insurance and Commerce Committee agenda this afternoon.

SPECIAL ELECTION LAWS

SB 496 seeks to make various changes to special election laws.

This bill is on the Senate State Agencies Committee this afternoon.

STATE CHAMBER/AIA PRIORITY AGENDA BILLS

WORKERS' COMPENSATION

SB 530 by Sen. Dave Wallace and Rep. Jack Ladyman seeks to decrease the amount of a workers' compensation third-party liability that an employer, carrier, or (newly added) self-insured carrier is entitled to, from two-thirds to one-half of the proceeds that remain after payment of costs. It also provides that the rights of the employer, carrier, or self-insured entity to recover benefits paid as a result of either settlement or judgment against the third party are absolute.

This bill may be considered Wednesday in the Senate Public Health, Welfare and Labor Committee.

The State Chamber/AIA supports **SB 530**.

To view a summary and the status of bills from the State Chamber/AIA's Priority Agenda, click [here](#).

NEW BILLS

CHANGES TO MINIMUM ROYALTY PAYMENTS

HB 1725 by Rep. Rick Beck seeks to clarify laws relating to the minimum royalty to be paid to a royalty owner from a gas drilling unit following an integration order including lawful deductions and leases with a working interest owner. It would remove language regarding lawful deductions including federal and state taxes levied and provide that the lawful deduction is established by the commission or a court of competent jurisdiction. It also provides that if a royalty owner has a lease with a working interest owner, the interest owner will pay the difference on the amount of the one-eighth royalty required; if a working interest owner markets the working interest owner's gas through the operator, the operator will distribute the difference on the amount of one-eighth royalty required.

This bill addresses a complicated statutory royalty framework whereby oil and gas working interest owners (industry owners of oil and gas leases from landowners) and the operator of a drilling and production unit share responsibility for paying a blended minimum royalty of one-eighth from gas sold by all interest owners to each royalty owner in the unit proportionately. The bill attempts to alter the existing statute to shift more expenses to the owners of oil and gas leases, and to provide the Oil & Gas Commission with authority to determine the meaning of royalty expense deduction provisions in oil and gas leases. The existing statutory scheme has been in place since 1985.

Concerns about this bill include: (1) it attempts to allow an administrative agency to adjudicate or override the provisions in a private contract; (2) it disturbs a longstanding statutory system that has been the basis of extensive financial investment in the Arkansas natural gas industry; (3) it would create an adverse business environment for future natural gas industry investment in Arkansas; and (4) it contains serious ambiguities that would be expected to generate a large volume of litigation against the oil and gas industry. *This bill has been assigned to the House Agriculture, Forestry and Economic Development Committee.*

We oppose this bill.

TO VIEW THE NEW BILLS ADDED TO OUR TRACKING TODAY, [CLICK HERE.](#)

BILLS WE OPPOSE

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. The bill defines “applicant” as an individual seeking an occupational or professional license.

We hosted a meeting of our Occupational Licensing Working Group on March 11 and approximately 50 people participated. The group agreed that this bill will apply to all professional licenses as well as the trade licenses. The group was unanimous in its opposition to this bill.

Similar issues came up a few years ago that led to the formation of our group. Bills were defeated in two consecutive legislative sessions. In the session with the second overly broad anti-licensing bill, the Governor created the Red Tape Reduction Working Group, which spent almost two years studying the licensing laws and rules in Arkansas. The Occupational Licensing Advisory Group (OLAG) was formed to provide information to the Red Tape Group. The Red Tape group’s charter expired, but a subsequent group was formed to which OLAG continues to report its work. OLAG consists of most of the licensing agencies in the state, along with some interest groups that include the State Chamber of Commerce. Every agency in OLAG has reviewed their licensing and reported on updates. A subsequent Act requires a set number of agencies to report to the legislature every year.

Our group believes it would be best if the issues **HB 1667** addresses would follow the process that was created by past legislatures, which are working well.

We are collecting a list of businesses and organizations that are opposed to **HB 1667**. If you’d like to add your name to the list, please let us know.

This bill awaits consideration in the House Public Health, Welfare and Labor Committee. The State Chamber/AIA opposes this very broad bill.

BILL OF INTEREST

RETIREMENT PLAN

HB 1349 by Rep. Les Warren and Sen. Kim Hammer seeks to create the Every Arkansas Retirement Plan Opportunity, which allows employees of participating employers to enroll in the proposed retirement system. This bill received a Do Pass from the Joint Retirement

Committee on March 8 and passed the House 93 to 3 on March 10. It was defeated in the Senate 9 to 15 on March 11. A clincher motion failed and a motion to expunge the vote by which the bill passed was adopted. So, it is possible this bill could come up for reconsideration.

Our organizations' concerns about this bill are primarily, 1) why should state government create a plan that is available through private markets and, 2) does the creation of this plan create potential liability to the state. We were also interested in how the federal 2019 SECURE Act might impact this issue.

After expressing some concern about this bill in yesterday's Update, we were contacted by the House sponsor. The sponsor said he had no desire to create state competition with private businesses. But he discovered over two years ago that there were around a half million Arkansans who have either no savings and/or no access to programs to save. Also, he does not believe the state is taking on any risk and the program can be handled by the state Treasurer without adding any new employees because of their current handling of a 529 plan.

An appointed Board will hire a third party administrator and will put out RFPs for investment options. Anyone that wants to market this plan or market their own plan is more than welcome. His goal is to provide savings options to people that currently have none.

YESTERDAY'S BILLS

COVID LIABILITY PROTECTION FOR BUSINESSES

HB 1487 by Rep. Justin Gonzales and Sen. Ben Gilmore would provide an entity or individual immunity from civil liability for damages or injuries caused by exposure to COVID-19 on business premises or during an activity they managed. This bill applies to claims in state or federal court or before the Arkansas State Claims Commission. It excludes willful, reckless, or intentional misconduct and workers' compensation benefits. It presumes good faith conduct if they are substantially complying or attempting to comply with issued guidelines. It is set to expire May 1, 2023.

This passed the House 79 to 11 yesterday and has been assigned to the Senate Judiciary Committee.

The State Chamber/AIA supports **HB 1487**.

STATE CHAMBER/AIA BILL TRACKING

Total Bills Filed: 1284 | New Bills Filed: Senate 9 | House 19

Bills and resolutions added to State Chamber/AIA Tracking: 8 | Total Tracked: 472

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