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93rd General Assembly Wednesday, March 17, 2021 – Session Day 66

TODAY AT THE CAPITOL

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

Committee Meetings

7:30 a.m. – Joint Budget Committee-Special Language

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

Noon – House Rules

2:00 p.m. – Senate Education and Health | House State Agencies, Aging and City/County/Local

TODAY'S BILLS

SHARING TAXPAYER IDENTITY TO LOCAL GOVERNMENTS

SB 528 by Sen. Bill Sample would require the Department of Finance and Administration to provide reports to counties and cities containing data on sales tax rebates and credits awarded for local sales and use tax rebates, and for purchased property used in construction contracts. It would require the reports to be delivered electronically on a monthly basis and to include the name of the taxpayer and the amount of the credit or rebate awarded. The effective date would be January 1, 2022.

This bill is on this morning's agenda in the Senate Revenue & Taxation Committee.

We understand the challenges that local governments have with credits and rebates. We have offered an alternative process that protects the taxpayer's names and are willing to continue to discuss a solution. The bill was heard this morning, but no vote was taken.

The State Chamber/AIA opposes the release of taxpayers' names.

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 received Do Pass As Amended recommendations yesterday from the House Revenue & Taxation Committee. They are on this afternoon's House Calendar for adoption of the amendment.

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

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 the 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 and 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 is on this morning's agenda in the House Agriculture, Forestry and Economic Development 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 received a Do Pass recommendation yesterday in the House Transportation's agenda and is on this afternoon's House Calendar.

We support 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 was expected to be on this morning's agenda in the House Agriculture, Forestry and Economic Development Committee.

The State Chamber/AIA opposes this bill.

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 bill is a Special Order of Business in the House Insurance and Committee this morning.

The State Chamber/AIA is concerned about this bill.

UTILITY RATE REVIEW

HB 1662 by Rep. John Maddox and Sen. Breanne Davis seeks to make various changes to the Formula Rate Review Act, adding regulatory parameters to the Public Service Commission's electric utility rate review process.

This bill is on today's Senate Calendar.

The State Chamber/AIA supports this bill.

SPECIAL ELECTION LAWS

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

This bill is on the Senate Calendar to adopt an amendment.

STATE CHAMBER/AIA PRIORITY AGENDA BILLS

WORKERS' COMPENSATION – State Chamber Priority Agenda Bill

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 is expected to be considered Monday afternoon in the Senate Public Health, Welfare and Labor Committee.

The State Chamber/AIA strongly supports **SB 530**. This bill requires a two-thirds majority to pass.

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

NEW BILLS

EMPLOYER'S ABILITY TO RECOUP WAGE OVERPAYMENTS

SB 539 by Sen. Breanne Davis seeks to create a process for an employer to recoup overpayment of wages by providing written notice to the employee and deducting at most 20 percent of gross wages per pay period. It would require employers to repay any erroneous recouped wages plus the same amount recouped as consideration.

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. A provision related to granting licenses to people coming from other states who do not have licensing has been removed by a sponsor's amendment. 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 around 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 is 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.

YESTERDAY'S BILLS

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 passed the Senate yesterday 34 to 0.

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.

This bill is on today's House Calendar to adopt an amendment.

We oppose this bill.

STATE CHAMBER/AIA BILL TRACKING

Total Bills Filed: 1323 | New Bills Filed: Senate 16 | House 23

Bills and resolutions added to State Chamber/AIA Tracking: 17 | Total Tracked: 489

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.

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