

DAILY LEGISLATIVE UPDATE



Business matters.

Daily Legislative Update

94th Arkansas General Assembly
Wednesday, February 15, 2023 | Day 38

TODAY AT THE CAPITOL

A full schedule of committees meet this morning. The Senate will convene at 1:00 p.m., and the House will convene at 1:30 p.m. Visit www.arkleg.state.ar.us to view meeting schedules, floor calendar, agendas and video links for any of the meetings.

NEW TRACKED BILLS

We added [8 bills](#) to our tracking today. The new filings include another State Chamber/AIA Priority bill regarding unemployment insurance. See details below. The news filings also include three income tax exemptions, repeal of school consolidation, career readiness assessments, mechanics liens, and hospital pharmacies.

STATE CHAMBER/AIA PRIORITY BILLS

Unemployment Insurance

HB 1430 by Rep. Robin Lundstrum and Sen. Kim Hammer

This State Chamber/AIA priority bill was filed yesterday. It makes multiple changes to unemployment insurance law. This bill:

- Amends indexing of the wage base, which is the amount of each employees wages that are subject to unemployment insurance (UI) tax. The wage base reduced from \$10,000 to \$7,000 for 2023. This bill changes the wage base indexing to protect against large increases as long as the Unemployment Compensation Trust Fund has a minimum balance of \$600 million.
- Reduces the maximum number of benefit weeks from 16 to 12, effective January 1, 2024.
- Reduces the new employer UI tax rate from 2.9% to 1.9%, effective January 1, 2024.
- Repeals the Stabilization Tax, which had a range of 0.1% to 0.8%, and replaces it with an administrative assessment of 0.125%, which is less than the current 0.2% amount of the Stabilization Tax that is applied to administration of the UI program. This reduction is effective from July 1 2023 until June 30, 2024. Effective July 1, 2024, the administrative assessment reduces to 0.1%. Excess funds generated by the administrative assessment can be credited to a fund for modernization of the state's UI computer system, subject to a maximum of \$35 million, and up to \$2.5 million can be deposited to the Training Trust Fund for worker

training. Any excess training fund dollars will go into the Unemployment Compensation Trust Fund.

- Reduces the maximum UI tax rate from 14% to 10%.

This bill has not yet been assigned to a committee.

Elimination of Phantom Damages

HB 1418 by Rep. Marcus Richmond et. al. and Sen. Missy Irvin et. al.

This State Chamber/AIA priority bill addresses a civil justice abuse that contributes to growing litigation costs known as “phantom damages.”

“Phantom damages” exist any time lawsuit recoveries are calculated using the dollar amount a patient was billed for a medical service instead of the amount the patient, their insurer, Medicaid, or workers’ compensation actually paid for treatment. For example, a hospital may bill \$20,000 for an emergency room visit, while the amount the hospital actually receives after adjustments may be \$8,000. The \$12,000 difference is not owed or ever paid in the real world.

Opposition contends that the bill will abolish the “collateral source rule.” It does not.

Arkansas' collateral source rule provides that a trial court must “exclude evidence of payments received by an injured party from sources 'collateral' to...the wrongdoer, such as private insurance or government benefits....”

We believe injured patients should be compensated for amounts they or their insurer have actually paid for medical care, and under **HB 1418** that will still be the case. But, when recoveries are calculated using billed charges rather than actual reimbursement, “phantom damages” are created, which neither the patient nor their insurer ever paid.

This bill is on tomorrow’s agenda in the House Judiciary Committee. Please ask your legislators to **SUPPORT HB 1418**.

BILLS WE SUPPORT

Petitions - Ballot Titles

HB 1320 by Rep. David Ray and Sen. John Payton

This bill requires sponsors of initiative petitions or referendum petitions to file with the attorney general before being circulated for signatures, allows the attorney general to ratify or change ballot title and popular name for each amendment/act.

- The attorney general must approve the submitted ballot title and popular name and certify it or substitute and certify a more suitable and correct ballot title and popular name within 10 days of the petition being filed.

The State Chamber/AIA supports this bill, which is on today’s agenda in the House State Agencies Committee.

Initiative/Referendum Petitions - Counties Represented

HB 1419 by Rep. Kendon Underwood and Sen. Jim Dotson

This bill requires ballot initiatives for statutory and constitutional amendments to submit petitions from 50 counties. It requires each petition to contain signatures of three-fourths of the designated percentage of the electors for each county represented.

The State Chamber/AIA supports this bill that was filed Monday and is on today’s agenda in the House State Agencies Committee.

BILL TRACKING

680 Bills Filed | Senate: 7 new – 267 filed | House: 11 new – 431 filed
State Chamber Tracking: 264 - 8 added today

To view all tracked bills by category, click [State Chamber AIA Bill Tracking Categories](#)

2023 STATE CHAMBER AIA LEGISLATIVE AGENDA

LEGISLATIVE SESSION INFORMATION

To view schedules, calendars, bill information, and legislator information, click www.arkleg.state.ar.us.

LEGISLATIVE MESSAGE CENTER

House of Representatives: 501-682-6211
Senate: 501-682-2902

LIVE STREAMING FROM THE CAPITOL

The House and Senate have links to live streaming of their committee meetings and floor session online.

- House: <https://www.arkansashouse.org/>
- Senate: <http://www.arkansas.gov/senate/>

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