

DAILY LEGISLATIVE UPDATE



Business matters.

Daily Legislative Update

94th Arkansas General Assembly
Monday, February 20, 2023 | Day 43

TODAY AT THE CAPITOL

The Senate Judiciary Committee meets at 10 a.m., and the House State Agencies and Governmental Affairs Committee will meet after the House adjourns this afternoon. The Senate will convene at 1:00 p.m., and the House will convene at 1:30 p.m.

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

Please ask your legislators to Vote YES on HB 1418

TOMORROW AT THE CAPITOL - STATE CHAMBER/AIA PRIORITY BILLS

Elimination of Phantom Damages -

HB 1418 by Rep. Marcus Richmond with seventeen House co-sponsors and Sen. Missy Irvin with nine Senate co-sponsors.

This State Chamber/AIA priority bill is a continuing effort we've work on with others over multiple years to pass a form of litigation reform in Arkansas. [HB 1418](#) is scheduled to be heard as a Special Order of Business in the House Judiciary Committee on Tuesday, February 21.

The bill addresses a civil justice abuse that contributes to growing litigation costs known as "phantom damages." It can also be considered a "transparency in damages" bill. The bill seeks to increase transparency and bring fairness to the calculation of damages in tort cases by defining economic damages as only those amounts actually paid by or on behalf of the plaintiff.

"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, his or her insurer, Medicare, Medicaid, or workers' compensation actually paid for the 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 and is not 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 medical care amounts that have actually been paid. When recoveries are calculated using billed charges rather than paid charges, “phantom damages” are created which neither the patient nor his or her insurer ever paid.

Please ask your legislators to SUPPORT HB 1418.

Unemployment Insurance

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

This State Chamber/AIA priority bill is set to be heard tomorrow in the House Public Health, Welfare, and Labor Committee. It makes multiple changes to unemployment insurance law, which are part of the State Chamber/AIA’s Priority Legislative Agenda.

The bill seeks to:

- Amend 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 would change the wage base indexing to protect against large increases as long as the Unemployment Compensation Trust Fund has a minimum balance of \$600 million (current balance is over \$800 million).
- Reduce the maximum number of benefit weeks from 16 to 12 effective January 1, 2024.
- Reduce the new employer UI tax rate from 2.9% to 1.9% effective January 1, 2024.
- Repeal the Stabilization Tax, which had a range of 0.2% to 0.8%, and replace 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.
- Reduce the maximum UI tax rate from 14% to 10%.

HB 1433 by Rep. Robin Lundstrum and Sen. Kim Hammer

This is a Department of Workforce Services clean up bill. The bill is on tomorrow’s agenda in the House Public Health, Welfare, and Labor Committee.

LAST WEEK AT THE CAPITOL

Legislators wrapped up the sixth week of session before recessing on Thursday. Several of the widely anticipated and larger budget impact bills (education reform measure, criminal justice reform measure, possible tax cut measures) have yet to be filed. However, committees are moving at a quick pace, with fuller daily bill calendars now in both the House and Senate.

Education

Senate President Pro Tempore **Bart Hester (R-Cave Springs)** told *Talk Business & Politics* yesterday that the **Governor’s Arkansas LEARNS** education reform measure could be filed today and heard in the Senate Education Committee on Wednesday.

ESG

The House voted 79-12 to approve **HB 1037 by Rep. Jeff Wardlaw (R-Hermitage)**. The measure would prohibit state entities from investing funds with providers that discriminate against energy companies, firearms entities, or that invest based on environmental, social justice and other governance-related factors.

Ballot Issue Petitions

The Senate State Agencies Committee advanced **SB 260 by Sen. Jim Dotson (R-Bentonville)**. The measure would require those trying to put proposed measures on the state's general election ballot to collect signatures from registered voters in at least 50 counties. (The current minimum requirement is 15 counties.) It would also require signatures from at least $\frac{3}{4}$ of registered voters who voted in the last gubernatorial election in those counties, instead of the current $\frac{1}{2}$ threshold. Supporters say the measure would prevent "out-of-state special interests" from being able to put measures on the ballot without input from more rural counties. A companion bill, **HB 1419 by Rep. Kendon Underwood (R-Cave Springs)** is on this afternoon's agenda in the House State Agencies Committee. The State Chamber/AIA supports these bills.

Healthcare

Governor Sarah Huckabee Sanders announced last week that she will ask the federal government for a waiver allowing the state to require recipients of Medicaid expansion funding to work, volunteer, or enroll in classes. Arkansas first implemented similar work requirements in 2018, but those were later blocked by a federal court. The Biden administration reversed the waiver approval.

Sen. Bart Hester, who has voted against the Medicaid expansion funding in the past, said yesterday on the Capitol View program, that he believes the proposed new work requirement will ease tensions for getting a 75% vote threshold in both chambers. Hester said the Medicaid expansion program, which has been around for a decade in some form as the private option or Arkansas Works, is now implemented, and not funding it would have to be a "much bigger discussion, not an afterthought."

IMPORTANT FEDERAL ISSUE

Last Thursday, Governor Sanders, along with Attorney General Tim Griffin, announced the State of Arkansas has filed a lawsuit in the U.S. Eighth Circuit against the Biden Administration after the Environmental Protection Agency (EPA) denied Arkansas' State Implementation Plan (SIP) submission outlining the state's plan for compliance with national ambient air quality standards. Plans in Tennessee and Wyoming were also partially rejected. The Arkansas plan was submitted in 2019. However, Griffin says the EPA was supposed to review the rule in 2020, and since then, has changed the standards. The EPA could apply a Federal Implementation Plan (FIP) as early as March or April. Twenty five other states are dealing with this same issue.

NEW TRACKED BILLS

No new bills were added to our tracking.

BILL TRACKING

741 Bills Filed | Senate: 3 new – 285 filed | House: 2 new – 456 filed
State Chamber Tracking: 283 - 0 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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