



Daily Legislative Update

Thursday, February 19, 2015

39th Day of 90th General Assembly

HB 1158 OCCUPATIONAL AND PROFESSIONAL LICENSING

Thank you to the many legislators who contacted us to say they would not support HB 1158 and the many more who agreed with the business and professional coalitions' concerns about this proposal. The bill did not come up yesterday and is not shown on today's House Calendar. We do not expect the bill to come back but if we get word that it may, we will provide information through this Update.

Thanks also to all who contacted legislators and asked them to oppose HB 1158. Be sure and thank any legislators you contacted who agreed to oppose.

HB 1158 proposed to "allow a person to engage in a lawful occupation free from unnecessary regulation." However, the large coalition of businesses, business associations and professional associations believed the bill would accomplish its goal by rendering Arkansas's professional and occupational licensing standards meaningless. The coalition, which likely would have grown much larger if there had been more time to share the information, believes the bill would have a negative impact on businesses across Arkansas and would jeopardize the safety and security of Arkansas consumers.

The business community does not desire to stand in the way of responsible free-market and regulatory reform. However, HB 1158 is over broad and not the solution to bureaucratic overreach.

TODAY AT THE CAPITOL

Senate convenes 11:00 a.m.

House convenes 1:30 p.m.

JOINT

7:30 AM	Room B, MAC	JBC-SPECIAL LANGUAGE	Agenda 
9:00 AM	Room A, MAC	JOINT BUDGET COMMITTEE	Agenda

HOUSE

10:00 AM	Room 130	PUBLIC HEALTH, WELFARE AND LABOR COMMITTEE- HOUSE	Agenda
10:00 AM	Room B, MAC	PUBLIC TRANSPORTATION- HOUSE	Agenda
10:00 AM	Room 138	EDUCATION COMMITTEE- HOUSE	Agenda
10:00 AM	Room 149	JUDICIARY COMMITTEE- HOUSE	Agenda

SENATE

10:00 AM	Room 171	INSURANCE & COMMERCE - SENATE	Agenda
10:00 AM	OSC	STATE AGENCIES & GOVT'L AFFAIRS-SENATE	Agenda
10:00 AM	Room 272	CITY, COUNTY & LOCAL AFFAIRS COMMITTEE - SENATE	Agenda
10:00 AM	Room 309	AGRICULTURE, FORESTRY & ECONOMIC DEVELOPMENT - SENATE	Agenda

HIGHWAY BILL

HB 1346 by Rep. Dan Douglas will be heard as a special order of business this morning in the House Transportation Committee. This bill would allocate monthly any sales and use tax revenue from various sources above \$2.2 billion to various entities for highway and road improvements.

PAYROLL REQUIREMENTS

HB 1277 by Rep. Greg Leding is on today's House Public Health, Welfare and Labor Committee agenda. It provides that wages are due and payable on the date an employee is discharged or when the employer refuses to further employ the individual. We have been contacted by human resource professionals who are concerned about the bill for the following reasons:

A. Employers must comply with a number of federal and state laws regarding payroll processing. There are strict requirements for tax reporting. Payroll processing tends to get more complicated over time. Employers face penalties for administrative errors regarding payroll and

payroll tax compliance. The Affordable Care Act also requires the transfer of insurance to the payroll record of each employee. Every time payroll is processed, employers must report payroll taxes and pay the federal or state government within a certain number of days. The shortest time allowed an employer is three (3) days after the payroll date.

1. It is unduly burdensome to require employers to process a separate payroll for an employee on the last day of employment. The employer may have less than one full day to pay wages on the employee's last day.

2. Many employers process their payroll at a separate location. The separate location could be either a paycheck processing company or another employer location. Employers that use outsourcing arrangements will incur additional costs due to processing a separate payroll. Employers that process payroll in a centralized location will have to get the appropriate information from the employee's location, process payroll, and deliver pay to employee.

3. HB 1277 also provides that if an employee is not paid final wages within seven days, the employer must continue to pay wages until paid in full. A company that pays employees weekly will not be able to comply without processing a separate payroll.

4. HB 1277 does not consider the administrative work necessary to process payroll. Payroll must be processed and reported correctly. Payroll cycles and processes allow an employer to correctly gather and process the pay information and allow the employer to establish controls so that the employer complies with state and federal laws and regulations.

5. The penalty applies only if an employee makes a proper demand for his final check, which happens only rarely. The bill would make the seven-day rule apply in all terminations.

6. Immediate processing of a payroll check is not possible for many organizations.

7. Arkansas law already requires that most employers with over \$500,000 in annual revenue must pay employees that are exempt from overtime at least twice per month. Employers or representatives of the employer that fail to pay wages as required under the current statute are guilty of a misdemeanor.

B. The Arkansas Department of Labor and the United States Department of Labor currently enforce and penalize employers that do not pay wages in accordance with the current law. Any Arkansas requirements regarding payment of wages should be consistent with federal requirements.

We believe employees should be paid the wages due on a timely basis. However, HB1277 appears to target employers who refuse to pay their employees upon termination, a very small minority of employers in Arkansas. Shortening the timeframe to pay will punish employers already in compliance, and likely won't cause those irresponsible employers to change their pay practices anyway.

STATE CHAMBER/AIA BILL TRACKING

To date, the House has filed 406 bills and the Senate has filed 449 bills.

The State Chamber/AIA is tracking 205 bills and resolutions.

New bills added to State Chamber/AIA tracking today:

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| HB 1396 | Meeks, David (R) | Creates a Health Care Compact among the states, with member states taking appropriate action to return the authority to regulate health care to the member states. |
| HB 1397 | Branscum, David (R) | Exempts from state income tax a community match incentive received by a taxpayer under the Community Match Rural Physician Recruitment Program. |
| HB 1398 | Pitsch, Mat (R) | Allows a tax credit against an employer's unemployment contributions for employers that hire persons who have been receiving unemployment benefits for at least 26 weeks. |
| HB 1402 | Shepherd, Matthew (R) | Freezes the capital gains income tax exemption at 50 percent and exempts all net capital gains made after January 1, 2014 over \$10,000,000 from income tax. |
| HB 1404 | McNair, Ron (R)
Rice, Terry (R) | Authorizes operators of self-service storage facilities to remove from the facility motor vehicles, trailers and watercraft belonging to a delinquent renter, conducting a lien sale or transferring possession to a towing service. |

HB 1406	Bentley, Mary (R)	Authorizes the Secretary of State to settle disputes concerning corporate franchise taxes if the taxpayer disputes the amount or is insolvent or bankrupt; and to waive interest or penalties in certain situations.
SB 426	Woods, Jon (R) Cozart, Bruce (R)	Prohibits public agency construction contracts from containing terms or bid specifications that encourages or discourages potential contractors from entering into collective bargaining agreements.
SJR 16	Woods, Jon (R)	Amends the Arkansas Constitution to allow public entities to finance economic development activities with financial incentives. (Shell bill)

For the complete, searchable list of bills being tracked, please visit our [tracking site](#). The full text of each bill is available at the site.

GOVERNOR'S PLAN TO ADDRESS PRISON OVERCROWDING

Governor Asa Hutchinson announced his Prison Expansion and Public Safety plan yesterday. According to the Governor's website, the three-part strategy includes more prison space, improvements to the parole and re-entry system, and investing in alternative and accountable sentencing programs for non-violent offenders. Half of the funding for the \$64 million plan would be needed immediately and would come from unclaimed property and a transfer of state money at the state Insurance Department.

[Talk Business & Politics](#) reported on the specifics of the Governor's plan and noted that Sen. Jeremy Hutchinson (R-Benton) and Rep. Matthew Shepherd (R-El Dorado) intend to introduce legislation today implementing the proposal.

TOMORROW AT THE CAPITOL

In anticipation of another possible weather front on Friday, the House will likely adjourn today for the week. The Senate also is not expected to meet tomorrow.

LEGISLATIVE SESSION CONTACT INFORMATION

State Senators: 501-682-2902

State Representatives: 501-682-6211

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

To view live stream video and audio from the Arkansas House of Representatives,
visit www.arkansashouse.org.

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