



Daily Legislative Update

Wednesday, April 1, 2015

80th Day of 90th General Assembly

TODAY AT THE CAPITOL

Senate convenes at 1:00 p.m.

House convenes at 1:00 p.m.

10:00 AM	Room 151	REVENUE & TAXATION- HOUSE	Agenda
10:00 AM	Room 138	EDUCATION COMMITTEE- HOUSE	Agenda
11:00 AM	Room 149	JUDICIARY COMMITTEE- HOUSE	Agenda
11:00 AM	Room 151	STATE AGENCIES & GOVT'L AFFAIRS- HOUSE	Agenda
11:00 AM	Room 130	AGING, CHILDREN AND YOUTH, LEGISLATIVE & MILITARY AFFAIRS- HOUSE	Agenda
11:00 AM	Room B, MAC	ADVANCED COMMUNICATIONS AND INFORMATION TECHNOLOGY - HOUSE	Agenda
12:15 PM	Room 171	JOINT COMMITTEE ON CONSTITUTIONAL AMENDMENTS	Agenda
No Meeting Scheduled	ROOM B,MAC	CITY, COUNTY & LOCAL AFFAIRS COMMITTEE- HOUSE	
Call of Chair	Room 207	EDUCATION COMMITTEE - SENATE	
Call of Chair	Room 171	JUDICIARY COMMITTEE - SENATE	Agenda
Call of Chair	Room 272	PUBLIC HEALTH, WELFARE AND LABOR COMMITTEE - SENATE	
Call of Chair	ROOM B, MAC	HOUSE RULES	Agenda

A few committees are meeting today to address concurrences. The most interesting meeting will be at 12:15 p.m. when the State Agencies Committees will meet. The meeting was brought about by a group of legislators to consider HJR 1027 and SJR 5, both of which seek to extend term limits of circuit clerks and county judges and authorizes a local ballot referral to consider extending term limits of quorum court members. It is not clear if the economic development joint resolutions we support will be considered.

This morning, Governor Hutchinson is expected to make public comments about HB 1228, the Religious Freedom Restoration Act, which is on his desk for consideration.

The State Chamber/AIA will host a "Legislative Send Off" reception this afternoon from 4:30 until 6 p.m. to honor the members of the 90th General Assembly. Our members are invited to attend the event which will be held in our Bob Lamb Conference Room.

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

Ask your legislators to support SJR 16

ECONOMIC DEVELOPMENT

SJR 16 by Sen. Jon Woods and Rep. Lance Eads is an effort to improve economic development in Arkansas. The State Chamber/AIA joins our local chamber and local economic development brethren and Governor Hutchinson in supporting SJR 16 along with SJR 3 by Sen. Eddie Joe Williams. SJR 3 would remove the historic provision that strips the Governor of his powers and duties while absent from the state.

SJR16 gives a common definition of Economic Development, Economic Development Infrastructure and Economic Development Services across all three of these areas addressed in Article 12 Section 5, Amendment 82 and Amendment 62 of the Arkansas Constitution. Having this common definition takes away the different uses of these amendments and allows for any of the three to be used, together or independently.

This amendment will allow for cities and municipalities to "participate" in Economic Development Infrastructure. Article 12 Section 5 has prohibited this type of activity.

This amendment will also remove the 5 percent cap (to the state budget) on Super Project General Obligation Bonds issued under Amendment 82. This will basically remove the total cap of about \$250-plus million on these projects and allow the legislature to determine whether the incentive should be offered based on the impact of the project. There is currently only about \$30-\$40 million left available with the 5 percent limit (if projects in the pipeline come to fruition). Some recent tweaking of enabling legislation has provided for another \$60-\$65 million, giving

the State about \$100 million for super projects over the next 18 months (until this amendment is passed in the November 2016 General Election).

This amendment will allow cities and municipalities to use the bonding capacity of Amendment 62 for economic development projects, as defined by the amendment. In other words, with voter approval, cities can sell bonds to offer infrastructure and incentives to companies.

Finally, and most importantly, this will give a clear, legal way for 20 cities and five counties across Arkansas to spend funds already collected by existing economic development sales taxes. Currently, most of the expenditures from these funds for projects or services are constitutionally suspect.

PRIORITY BILLS

CAPITAL GAINS INCOME TAX EXEMPTION

HB 1402 by Rep. Matthew Shepherd and Sen. Jake Files will restore the capital gains tax reduction adopted in the 2013 session that was reduced at the beginning of the 2015 session. It passed the Senate by a vote of 24-9 yesterday and will now be sent to the Governor for his signature. The State Chamber/AIA supports this bill.

BILLS TO BE CONSIDERED TODAY

ETHICS

SB 967 by Sen. Jon Woods and Rep. Warwick Sabin is legislation related to Issue 3 that was adopted by Arkansas voters at the 2014 General Election. It increases the maximum campaign contribution from \$2,000 to \$2,700 per election and sets up an automatic increase process that will occur every two years. It adds members of the judiciary to the list of elected officials that cannot receive gifts. It provides details about "planned activities" in which legislators and others can receive food and drink. Such activities must include notice to the entire group and lobbyists can only host one activity for the same group within seven days. It defines available defenses to claims of receipt of illegal gifts and limits campaign signs on candidate vehicles to 12x12 inches. It addresses carryover use of certain campaign materials.

The bill failed when first presented to the Senate State Agencies and Governmental Affairs Committee yesterday, but received a Do Pass as amended recommendation from the Committee at their afternoon meeting. It is on today's Senate calendar to formally adopt the amendment.

LEGISLATIVE REVIEW

SB 2 by Sen. Jonathan Dismang is legislation related to Issue 1 which was adopted by Arkansas voters in the 2014 General Election. It provides for review of new administrative rules

by the Rules and Regulations Subcommittee of the Legislative Council to determine their legality and conformity with legislative intent. It requires allowing public comment before the committee. SB 2 passed the House yesterday by a vote of 84-0. It has been re-referred to the Senate State Agencies and Governmental Affairs Committee to concur in a House amendment.

BOARDS AND COMMISSIONS

HB 1851 by Rep. Micah Neal amends the membership composition of various state boards, commissions and other administrative bodies. It also requires the Governor to consult with the representatives of the relevant industries before making appointments to those entities. The bill has been amended to delete proposed changes to Research and Promotion boards and make various other revisions including specifying that the Governor's many appointments are subject to confirmation by the Senate. As reported, the amendment deleted all of the agriculture boards from the bill. If your organization was listed in the original draft, please review the amendment. The bill received a Do Pass recommendation from the Senate State Agencies and Governmental Affairs Committee yesterday. It is on today's Senate calendar.

YESTERDAY AT THE CAPITOL

CONSOLIDATING STATE AGENCIES

SB 382 by Sen. Eddie Joe Williams and Rep. Nate Bell addresses the issue of consolidating state agencies into 10 or more principal departments. An amendment adopted last week expands the study beyond the original 10 principal departments, removes deadlines and reorganizes uncodified language that defines the scope of the study. The bill passed the House yesterday by a vote of 79-0 and will now be sent to the Governor for his signature.

EMINENT DOMAIN

HB 1908 by Rep. Rick Beck is on the way to the Governor for his signature after the House voted yesterday to concur in a Senate amendment. As amended it requires a circuit court to impanel a 12-person jury to determine compensation in eminent domain cases. It also makes the state liable to the owner for court/attorney costs when the final compensation is 20 percent or more above the entity's initial assessment, changes property owner's right to "market value compensation" to "just compensation" and requires the assessment of the just compensation to be provided to the property owner or filed with the complaint for condemnation when the owner can't be located. Yesterday's amendment adds Sen. Hutchinson and Rep. Drown as co-sponsors; and provides that awards of costs, expenses, or attorney's fees under this bill in a condemnation act brought by a county or municipality are governed by the laws that authorize the condemnation action. The State Chamber/AIA had concerns about this bill.

A&P TAX COLLECTION REPORTING

HB 1941 by Rep. Micah Neal would exempt from disclosure under the Freedom of Information Act information related to taxes collected by certain entities or industries under the Advertising and Promotion Commission Act, although the total of taxes collected may be released. The House voted yesterday to concur in a Senate amendment that deletes the reference to tax records of industries. The bill will now go to the Governor for his signature.

LOSER PAYS

SB 761 by Sen. Jim Hendren and Rep. Dan Douglas failed again Tuesday on a roll call vote in the House Judiciary Committee. The bill seeks to discourage frivolous claims in Arkansas Courts. This rule essentially requires that litigation costs be assessed in favor of a party who successfully seeks dismissal of a claim that does not have a basis in fact or law. These recoverable costs include reasonable and necessary attorney fees and are capped at \$10,000.

PENDING BILLS

PHARMACY BENEFIT MANAGEMENT (PBM)

The State Chamber/AIA has historically opposed legislation that seeks to reduce the impact of PBMs. Our opposition arises from employers' concerns about elimination or reduction in pharmacy cost savings that PBMs provide to employer health plans. The State Chamber/AIA joined a long list of companies that were concerned about their pharmacy costs going up and opposed this session's PBM bills. SB 688 is on the Governor's desk for signature. The State Chamber/AIA Executive Committee voted that the State Chamber/AIA should join a group of businesses in asking Governor Hutchinson to veto SB 688.

STATE CHAMBER/AIA BILL TRACKING

This session, the House filed 1007 bills and the Senate filed 1055.

The State Chamber/AIA is tracking 535 bills and resolutions.

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.

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.

State Chamber/AIA Staff:

Randy Zook, President/CEO: rzook@arkansasstatechamber.com

Kenny Hall, Executive Vice President: khall@arkansasstatechamber.com

Angela DeLille, Director of Governmental Affairs: adelille@arkansasstatechamber.com

Andrew Parker, Director of Governmental Affairs: aparker@arkansasstatechamber.com

State Chamber/AIA phone: (501) 372-2222

State Chamber/AIA web site: www.arkansasstatechamber.com