



Daily Legislative Update

90th General Assembly – FIRST SPECIAL SESSION

Day 2

Wednesday, May 27, 2015

EVENTS AT THE CAPITOL

The House and Senate went into session at 10 a.m. this morning.

Committees met this morning and the following Committees will meet this afternoon. Other Senate Committees are listed to meet at the Call of the Chair:

House Judiciary at 1:30 p.m.

House Agriculture, Forestry and Economic Development at 2:30 p.m.

House Transportation at 1:30 p.m.

House Management at 1:30 p.m.

House State Agencies at 2:30 p.m.

Senate Agriculture, Forestry and Economic Development at 1:30 p.m.

Senate State Agencies at 2:30 p.m.

The Senate went back into session at 11 a.m. this morning.

The House adjourned until 9 a.m. tomorrow morning.

ALL BILLS FILED AND ACTION YESTERDAY AND THIS MORNING

BOND ISSUE TO BUILD MILITARY VEHICLES

Gov. Hutchinson kicked off the Special Session yesterday morning with a press conference about the session's primary purpose, the adoption of an Act to authorize an Amendment 82 agreement allowing the state to issue \$87,145,000 in bonds to support the expansion of the Lockheed Martin facility in Camden. Lockheed Martin is seeking to gain a contract with the U.S. military to build the next generation of troop vehicles for the U.S. Army and Marines known as the Joint Light Tactical Vehicle (JLTV).

HB 1003 by Rep. Matthew Shepherd (R-El Dorado) and **SB 6** by Sen. Bobby Pierce (D-Sheridan) were identical bills filed to accomplish the bond authorization. Both bills were approved in committee yesterday afternoon.

Wesley Brown of *Talk Business & Politics* produced the following report about the bond issue and the impact on Arkansas if Lockheed Martin wins the contract to build the JLTV:

“The JLTV will replace the Humvee, which has been used by the military since 1985. Should Lockheed Martin win the contract, the company plans to invest more than \$125 million in the East Camden facility. Approximately 600 new full-time positions will be created at the facility and as many as 655 indirect jobs will be created in south Arkansas as a result of this project. At an average wage of \$57,000, the direct jobs will result in an added payroll in the south Arkansas economy of nearly \$34.2 million annually, or \$855 million over the next 25 years.

. . . the bond financing is just the first step in a highly competitive process to help Lockheed Martin build the next generation of tactical vehicles for the U.S. Army and Marine Corps in Highland Industrial Park in East Camden. The Department of Defense (DOD) is expected to decide later this summer on the award of the final contract for the \$30 billion JLTV project. If Lockheed Martin wins the contract against rivals Oshkosh and AM General, the Maryland-based defense giant will begin the process of its operations in Camden to begin rolling the first of nearly 55,000 off the assembly line by 2018.

Last week, Hutchinson outlined the details of the bond financing package. Nearly \$83 million from the bond financing will be handed over to Lockheed Martin for assistance in retaining its current 530-person workforce. Those funds will also be used to assist the company in expanding its current facility, and it will allow the Maryland-based defense giant to double its labor pool to handle the Pentagon’s award that will last through 2040. The bond financing will also pay for an additional \$1.6 million training grant to be used for construction and equipping of training facilities at Southern Arkansas University Tech in Camden. The remaining \$2.5 million will pay for expenses related to bond issuance costs, debt service reserves, and other eligible financing costs incurred or paid by the state, officials said.

A legislative study of the \$87 million bond proposal shows that the state would easily recover its investment and an additional \$16.3 million in added economic benefits. If the project falls through or if Lockheed Martin is not awarded the project, the deal is dead and Arkansas is off the hook for the money. (Legislators were provided a presentation from this report prior to going into session yesterday afternoon)

After the press conference, Lockheed Martin officials gave additional details on the Pentagon’s JLTV contract. Overall, the program is projected to bring an estimated \$3.4 billion to the state’s economy should the nation’s largest defense contractor win the high stakes bidding contest. In addition, Lockheed Martin executives said the company plans to bolster the state’s \$87.1 million bond financing with a total investment of more than \$125 million for infrastructure improvements in Camden, as well as to reach job-creation and wage milestones set by the state over the next 25 years. Lockheed officials also said that the current estimate of 55,000 vehicles is a conservative estimate. They said that tally could easily increase depending on the needs of the

U.S. Army and Marine Corps. Also, several U.S. allies have expressed interest in purchasing a version of the new JLTV vehicle, which would push orders up well above the current purchase order.”

This morning, the House passed **HB 1003** by a vote of 96-0 and the Senate passed **SB 6** by a vote of 31-3.

The State Chamber/AIA supports this effort.

ARKANSAS PRIMARY ELECTION DATE CHANGE

The most contentious issue of this Special Session is the continued consideration of an issue that was debated earlier this year in the Regular Session regarding a change in the date of the Arkansas Primary Election. No changes were adopted in the Regular Session.

Three bills were filed yesterday on this issue:

HB 1002 by Rep. Nate Bell (R-Mena) would move the 2016 Arkansas Primary Election from May to March and provided a review process to consider whether this move should become permanent.

HB 1006 and **SB 8** are identical bills by Rep. Andy Davis (R-Little Rock) and Sen. Gary Stubblefield (R-Branch). These bills also would move the Arkansas Primary Elections from May to March but on a permanent basis.

The House State Agencies Committee considered HB 1002 and HB 1006 yesterday afternoon. Only HB 1006 received a Do Pass recommendation.

The stated purpose of this move is to get Arkansas into a potential single primary date across the south referred to as the “SEC Primary.” When this issue was discussed in the Regular Session, the bill would have only moved the Presidential Primary to March but leave all other primary elections at their normal May date. It was estimated that moving only the Presidential Primary would have cost the state about \$2 million. Consequently the Regular Session bill failed.

The issues surrounding these bills in the Special Session included campaign filings, campaign costs, campaigning during Thanksgiving, Christmas and winter, increased potential voter turnout, increased national attention, opportunity to vote on Presidential candidates before their elimination from the race, potential benefits to incumbents, and impact upon the Fiscal Sessions.

SB 6 did not pass out of the Senate State Agencies Committee yesterday or this morning.

HB 1006 passed the House this morning by a vote of 56-32. The emergency clause failed in the original bill vote and then a vote only on the emergency clause also failed. After the House recessed for a committee meeting and came back into session, a motion was made to

reconsider. There was debate as to whether the lack of an emergency clause would kill or hamper implementation of the Primary Election date change.

The bill passed again 68-12 and the emergency clause also passed 68-13 on a separate vote. The ballot was then “sounded” and two votes were not confirmed causing the emergency clause to fail with only 66 votes. (67 required to reach needed two-thirds majority)

CHANGES NEEDED IF PRIMARY ELECTION DATE CHANGED

ARKANSAS FISCAL SESSION DATE CHANGE

HB 1008 and **SB 5** were filed by Rep. Charlotte Douglas (R-Alma) and Sen. Jon Woods (R-Springdale) to move the Fiscal Session from February to April in even numbered years in Arkansas. This move would be needed if a bill to move the Arkansas Primary Election from May to March becomes law.

SB 5 received a Do Pass recommendation from the Senate State Agencies Committee yesterday.

HB 1008 received a Do Pass recommendation from the House State Agencies Committee yesterday afternoon and the full House this morning by a vote of 69-15.

CANDIDATE FILING AND REPORTING

HB 1007 by Rep. Andy Davis (R-Little Rock) revises various dates and deadlines regarding the filing of candidate contributions and expenditure reports to adjust the reporting to the new March primary election. It was approved by the House State Agencies Committee yesterday afternoon and by the full House this morning by a vote of 72-17.

OTHER BILLS

AGENCY CONSOLIDATIONS

HB 1001 and **SB 1** by Rep. David Branscum (R-Marshall) and Sen. Jim Hendren (R-Gravette) would transfer the Science and Technology Authority, Department of Rural Services, Arkansas Building Authority, and the Division of Land Surveys to other state agencies. Both bills received Do Pass recommendations from their respective State Agencies Committees yesterday and passed their full chambers this morning by votes of 95-0 and 33-0.

CORRECT BILL ENGROSSING ERRORS

HB 1004 and **SB 2** by Rep. John Vines (D-Hot Springs) and Sen. Greg Standridge (R-Russellville) would amend various sections of the Arkansas Code to correct certain engrossing errors from the 2015 regular session. Both bills received Do Pass recommendations from their respective Committees yesterday and passed their full chambers this morning by votes of 95-0 and 33-0.

FARM VEHICLES ON I-555

HB 1005 and **SB 3** by Rep. Brandt Smith (R-Jonesboro) and Sen. John Cooper (R-Jonesboro) would allow farm vehicles and machinery that have been permitted to operate on the section of U.S. Highway 63 between exits for State Highway 149 and State Highway 14 to have continued access even though that section is now designated as part of I-555. **SB 3** was approved in committee yesterday and on the Senate floor 33-0 this morning. **HB 1005** was approved with an amendment in the House Transportation Committee this morning and then by the full House 96-0.

MICROBREWERIES

HB 1009 and **SB 9** by Rep. Warwick Sabin (D-Little Rock) and Sen. Jeremy Hutchinson (R-Benton) would repeal Act 1237 regarding microbreweries and the production of hard cider and adds provisions to Act 857. **SB 9** passed the Senate this morning by a vote of 23-1.

DWI

SB 4 by Sen. David Johnson (D-Little Rock) adds to the exceptions to culpable mental state that the offense is a strict liability offense. It would also make the offenses of driving and boating while intoxicated or underage strict liability offenses. The bill received a Do Pass as amended recommendation from the Senate Judiciary Committee this morning.

LEGISLATIVE PER DIEM FOR SPECIAL SESSION

SB 7 by Sen. Alan Clark (R-Lonsdale) provides for the payment of expenses and per diem for the members of the House and Senate for the Special Session. It did not receive a motion in the Senate State Agencies Committee this morning.

LEGISLATIVE SESSION INFORMATION

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

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