



STATE CHAMBER/AIA BILL TRACKING

**Daily Legislative Update
Friday, February 20, 2009
40th Day of the 87th General Assembly**

SPECIAL EDITION

*** * * CONTACT YOUR LEGISLATOR NOW * * ***

WORKERS' COMPENSATION

HB 1362, the agreed bill between the State Chamber/AIA and the AFL-CIO, received a Do Pass recommendation this morning from the House Insurance and Commerce Committee. It will be considered by the full House as early as next Tuesday. This agreed bill received an unnecessary amount of questioning on issues unrelated to the purpose and intent of the bill by Representatives concerned about small contractors. ***PLEASE CONTACT YOUR STATE REPRESENTATIVE AND ENCOURAGE THEM TO SUPPORT HB 1362.***

MANUFACTURERS SALES TAX EXEMPTION FOR UTILITY USAGE

Leading legislators continue working behind the scenes on many issues including our desire to further reduce the amount of sales taxes paid by manufactures on their energy costs. We fear the legislative support is not as strong as we need. It will be very helpful for them to hear how important this issue is to you. ***PLEASE CONTACT YOUR STATE LEGISLATORS AND ENCOURAGE THEM TO SUPPORT A FURTHER REDUCTION IN THE SALES TAXES PAID BY MANUFACTURERS ON THEIR ENERGY COSTS.***

The best information you can provide them is a report on how much sales tax you are paying on electricity and natural gas used directly in the manufacturing process. Then consider and explain to your legislators how the savings would enhance your operation, save or increase jobs, improve competition, etc.

Arkansas is completely non-competitive with our surrounding states on this issue. Only Mississippi charges a 1.5 percent sales tax rate while the other border states charge no sales tax on manufacturers' energy costs.



Daily Legislative Update
Friday, February 20, 2009
40th Day of the 87th General Assembly

STATE CHAMBER/AIA BILL TRACKING

**To date, the House has filed 561 bills and the Senate has filed 437 bills.
The State Chamber/AIA is tracking 227 bills and resolutions.**

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

MANUFACTURERS SALES TAX EXEMPTION FOR UTILITY USAGE

Prior to 2007, Arkansas manufacturers paid the full state sales tax rate of 6 percent on their energy costs. During the 2007 session, we filed a bill seeking a full sales tax exemption for all manufacturers on all fuel types used. We were able to negotiate a reduction in the sales tax rate to 4 percent for manufacturers in NAICS codes 31, 32 and 33 on their electricity and natural gas used directly in the manufacturing process. In comparison, Missouri, Tennessee, Louisiana, Texas and Oklahoma charge no sales tax and Mississippi charges only 1 percent.

Very soon, we will be filing a bill similar to last session and will be working on getting the largest reduction possible for as many manufacturers as possible. In the meantime, you can help by visiting with your legislators over the weekend. The best information you can provide them is a report on how much sales tax you are paying on your electricity and natural gas used directly in the manufacturing process. Then consider and explain to your legislators how the savings would enhance your operation, save or increase jobs, improve competition, etc.

ISSUES

WORKERS' COMPENSATION

HB 1362, the agreed bill between the State Chamber/AIA and the AFL-CIO, is on this morning's agenda in the House Insurance and Commerce Committee and Rep. Mike Burris tells us it is ready to go.

ISSUES

FOOD TAX

SB 88 by Sen. Bobby Glover would reduce the sales tax on food and food ingredients by 1 percent. This is a priority item for Governor Beebe. The bill remains on the House Revenue and Taxation Committee agenda.

YESTERDAY AT THE CAPITOL

ISSUES

SCRAP METAL

HB 1479 by Rep. Darrin Williams received a Do Pass from the House Judiciary Committee yesterday and will now be considered by the full House. It would create a Class D felony for the offense of damaging wires and other fixtures of telephone, cable and electric power companies or any line that could result in physical injury. It also adds new restrictions and requirements on scrap metal dealers. This bill, which has been the subject of negotiations over the past few weeks, was filed as an agreed bill by the parties in interest. The State Chamber/AIA supports this bill to reduce the outbreak of copper theft in Arkansas.

NURSING HOMES

HB 1232 by Rep. George Overbey and Sen. Barbara Horn passed the Senate yesterday by a vote of 34-0. It will now go to the Governor for his signature.

Daily Legislative Update
Thursday, February 19, 2009
39th Day of the 87th General Assembly

STATE CHAMBER/AIA BILL TRACKING

To date, the House has filed 542 bills and the Senate has filed 425 bills.
The State Chamber/AIA is tracking 220 bills and resolutions.

* * * **CALLS TO ACTION** * * *

MANUFACTURERS SALES TAX EXEMPTION FOR UTILITY USAGE

We encourage all manufacturers to calculate the amount of sales taxes paid on their energy costs and evaluate how those funds might be used to enhance the operation, save or increase jobs, improve competition, etc., if a full or partial exemption was passed and communicate this information to your legislators.

WORKERS' COMPENSATION

HB 1362, the agreed bill between the State Chamber/AIA and the AFL-CIO, is on Friday's agenda in the House Insurance and Commerce Committee. Please encourage your legislators to honor this important workers' comp agreement by passing HB 1362 as soon as possible.

ISSUES

SCRAP METAL

HB 1479 by Rep. Darrin Williams is on today's House Judiciary Committee agenda. It would create a Class D felony for the offense of damaging wires and other fixtures of telephone, cable and electric power companies and add new restrictions and requirements on scrap metal dealers. This bill, which has been the subject of negotiations over the past few weeks, was filed as an agreed bill by the parties in interest. The State Chamber/AIA supports this bill to reduce the outbreak of copper theft in Arkansas.

FOOD TAX

SB 88 by Sen. Bobby Glover would reduce the sales tax on food and food ingredients by 1 percent. This is a priority item for Governor Beebe. The bill remains on the House Revenue and Taxation Committee agenda.

ISSUES

NURSING HOMES

HB 1232 by Rep. George Overbey and Sen. Barbara Horn received a Do Pass recommendation from the Senate Public Health, Welfare and Labor Committee yesterday and is on today's Senate floor calendar. This bill contains an agreement negotiated between the trial lawyers and nursing homes.

YESTERDAY AT THE CAPITOL

ISSUES

LOTTERY

Now that the tobacco tax has been signed into law, the next big issue under consideration by the legislature is the implementation of the state lottery approved in the November election. Leadership in the House and Senate appointed study groups to make recommendations and reports from these groups surfaced this week. Yesterday, a rare joint

meeting of the House and Senate Rules Committees and State Agencies & Governmental Affairs Committees was held to discuss the lottery issues.

The *Arkansas News Bureau* is reporting that a group of state lawmakers released a draft bill yesterday, which did not include rules for the awarding of scholarships. In the story [here](#), they quote the lead sponsor of the legislation, House Speaker Robbie Wills, D-Conway, who said lawmakers are working on a plan to create a sliding scale in which the amount of scholarship money awarded would depend on the amount of money the lottery collects. “The last thing we want to do is promise more than we can deliver,” Wills said at a meeting of the Political Animals Club of Northwest Arkansas held at the Governor’s Mansion.

The story also quotes Sen. Terry Smith, D-Hot Springs, who said day-to-day operations of the lottery would be under the control of a nine-member commission that would operate like a private business. “We have tried to design this, and I think we’ve accomplished that, so they can change with market conditions and make changes quickly,” Smith said.

The *Arkansas News* story also reports that three members of the commission would be appointed by the governor, three by the House speaker and three by the Senate president pro tem, according to the draft bill. The committee would be overseen by a new legislative committee, the Arkansas Lottery Commission Legislative Oversight Committee, but Wills said the Legislature would not have any influence in decisions such as selecting vendors. Commission members and lottery employees would be prohibited from receiving a gift of any value from a lottery vendor. They also could not engage in lobbying on any lottery-related issue for a period of two years after they quit. The commission would be subject to the Arkansas Freedom of Information Act. Video lottery terminals would not be allowed, but the draft bill would allow scratch-off games, draw games and multi-state games. Knowingly selling a lottery ticket to a person under 18 would be a Class A misdemeanor.

Daily Legislative Update
Wednesday, February 18, 2009
38th Day of the 87th General Assembly

STATE CHAMBER/AIA BILL TRACKING

To date, the House has filed 496 bills and the Senate has filed 400 bills.
The State Chamber/AIA is tracking 216 bills and resolutions.

* * * **CALLS TO ACTION** * * *

MANUFACTURERS SALES TAX EXEMPTION FOR UTILITY USAGE

A priority issue for the State Chamber/AIA is to work toward a full sales tax exemption for Arkansas manufacturers' utility usage. Currently, Arkansas charges manufacturers a 4 percent sales tax on their utility usage while Mississippi is the only surrounding state that charges any such sales tax and their rate is only 1 percent. We know that achieving a full exemption will take work over multiple sessions. There is a lot going on behind the scenes on this issue; we need manufacturers to contact their legislators and encourage their support for a manufacturers' utility sales tax reduction.

WORKERS' COMPENSATION

HB 1362, the agreed bill between management and labor, appears to be snake bit. A new flaw was discovered in the bill's title that will require an additional amendment. The bill will not be considered by the House Insurance and Commerce Committee before Friday. Please encourage your legislators to honor the workers' comp agreement between the State Chamber/AIA and the AFL-CIO by passing HB 1362 as soon as possible.

ISSUES

NURSING HOMES

HB 1232 by Rep. George Overbey and Sen. Barbara Horn is on this morning's Senate Public Health, Welfare and Labor Committee agenda. This bill contains an agreement negotiated between the trial lawyers and nursing homes.

CRIMINAL UCC FILINGS

HB 1161 by Rep. Lindsley Smith and Sen. David Johnson is on today's Senate Judiciary Committee agenda. It would create the offense of fraudulent filing of a uniform commercial code financing statement, a Class A misdemeanor for the first offense, Class D felony for a subsequent offense, and provides for civil causes of action. This is a Judicial Council bill which is similar to legislation that has been enacted in other states to deal with the growing problem of fraudulent filing of Uniform Commercial Code financing statements. The action must be taken with the purpose to defraud or harass knowing that it is baseless in order to be prohibited conduct.

AUTHORIZATION FOR ADEQ TO GATHER INFORMATION

HB 1279 by Rep. Keith Ingram is a bill to allow ADEQ to access employer lists to gather required information to satisfy the federal EPA. The State Chamber/AIA agrees with this bill. It received a do pass from the Senate State Agencies and Governmental Affairs Committee last week and awaits consideration by the full Senate.

ISSUES

MINIMUM WAGE--correction

HB 1464 by Rep. Jim Nickels, which is on tomorrow's House Public Health Welfare and Labor Committee agenda, was reported incorrectly in yesterday's Update. This bill will only raise the minimum wage from \$6.25 per hour to

\$6.55 immediately, and to \$7.25, the federal rate, on July 24, 2009. Rep. Nickels had provided us a draft of the bill that contained language that would also make changes to tip wages, which is how we described this bill in yesterday's Update. However, Nickels removed the tip wage language from HB 1464 and will file a separate bill to address tip wages.

SCRAP METAL

HB 1479 by Rep. Darrin Williams is on tomorrow's House Judiciary Committee agenda. It would create a Class D felony for the offense of damaging wires and other fixtures of telephone, cable and electric power companies and add new restrictions and requirements on scrap metal dealers. This bill, which has been the subject of negotiations over the past few weeks, was filed as an agreed bill by the parties in interest. The State Chamber/AIA supports this bill to reduce the outbreak of copper theft in Arkansas.

PRESIDENTIAL POPULAR VOTE ELECTION

HB 1339 has been re-referred to the House State Agencies and Governmental Affairs Committee. Essentially, this bill would allow the President of the United States to be elected by a popular vote. We fear this would greatly reduce Arkansas's relevance in electing our nation's president.

FOOD TAX

SB 88 by Sen. Bobby Glover would reduce the sales tax on food and food ingredients by 1 percent. This is a priority item for Governor Beebe. The bill remains on the House Revenue and Taxation Committee agenda.

YESTERDAY AT THE CAPITOL

ISSUES

FOOD TAX

HB 1454 by Rep. Frank Glidewell was tabled by the House Committee on Revenue and Taxation yesterday. The bill would repeal the state sales tax on food if certain conditions are met. The committee has not taken any action on exemption bills this session and is not expected to do so until revenue forecasts and budget issues are clearer. HB 1454 may be brought off the table if a committee member makes a motion to do so.

Daily Legislative Update
Tuesday, February 17, 2009
37th Day of the 87th General Assembly

STATE CHAMBER/AIA BILL TRACKING

To date, the House has filed 482 bills and the Senate has filed 374 bills.
The State Chamber/AIA is tracking 208 bills and resolutions.

* * * **CALLS TO ACTION** * * *

MANUFACTURERS SALES TAX EXEMPTION FOR UTILITY USAGE

Arkansas manufacturers should be contacting their legislators seeking help in making Arkansas competitive with our surrounding states in regards to sales taxes charged on manufacturers' utility usage. Currently, Arkansas charges manufacturers a 4 percent sales tax on their utility usage while Mississippi is the only surrounding state that charges any such sales tax and their rate is only 1.5 percent.

WORKERS' COMPENSATION

HB 1362, the agreed bill between management and labor, has been amended and the amendment is now engrossed into the bill's text. We expect the bill to be considered Wednesday by the House Insurance & Commerce Committee. Please encourage your legislators to honor the workers' comp agreement between the State Chamber/AIA and the AFL-CIO by passing HB 1362 as soon as possible.

New bills added to the State Chamber/AIA tracking today:

<u>HB 1464</u>	<u>Nickels</u>	Raises the minimum wage from \$6.25 per hour to \$6.55 immediately and to \$7.25 on July 24, 2009.
<u>HB 1471</u>	<u>Moore</u> <u>Jeffress, J.</u>	Renames the tax credit for certain investments in delta tourism business as the geo-tourism tax credit, allows transfer of the credit and allows carry forward of unused portion to the next tax year.
<u>HB 1477</u>	<u>Abernathy</u> <u>Teague</u>	Creates new license categories for certain water well construction jobs and increases fees for contractors.
<u>HB 1478</u>	<u>Patterson</u>	Allows the Department of Workforce Services to share unemployment insurance contribution information with the Department of Finance and Administration.
<u>HB 1479</u>	<u>Williams</u> <u>Wilkinson</u>	Creates a Class D felony for the offense of damaging wires and other fixtures of telephone, cable and electric power companies; adds new restrictions and requirements on scrap metal dealers.
<u>HB 1480</u>	<u>Maloch</u>	Adopts portions of the revised Internal Revenue Code to reflect technical changes.
<u>HB 1481</u>	<u>Shelby</u>	Increases the maximum age of operators and passengers of motorcycles who must wear protective headgear from 21 to 25 years of age.
<u>HB 1482</u>	<u>Flowers</u>	Requires annual safety inspection of motor vehicles, certificate of inspection required for licensing; earmarks net revenue from

inspection fees for community health centers, autism, and school retirees insurance costs.

- SB 363 Teague Clarifies the requirement that income tax deductions for interest or intangible-related income paid to a related party must be pursuant to an arm's length rate of interest.
- SB 364 Smith, T. Redefines noncompliant taxpayer for purposes of business closure authority to include businesses that do not file employee withholding returns for three months during a 24-month period.
- SB 369 Johnson, D. Authorizes and prescribes requirements for the county collector to distraint goods or chattels of persons for delinquent personal property taxes on personal property owned by the business.

AUTHORIZATION FOR ADEQ TO GATHER INFORMATION

HB 1279 by Rep. Keith Ingram is a bill to allow ADEQ to access employer lists to gather required information to satisfy the federal EPA. The State Chamber/AIA agrees with this bill. It received a do pass from the Senate State Agencies and Governmental Affairs Committee last week and awaits consideration by the full Senate.

FOOD TAX

SB 88 by Sen. Bobby Glover would reduce the sales tax on food and food ingredients by 1 percent. This is a priority item for Governor Beebe. **HB 1454** by Rep. Frank Glidewell would repeal the state sales tax on food if certain conditions are met. Both bills are on this morning's House Revenue and Taxation Committee agenda. That committee has not taken any action on exemption bills this session and is not expected to do so until revenue forecasts and budget issues are clearer.

NURSING HOMES

HB 1232 by Rep. George Overbey and Sen. Barbara Horn has been referred to the Senate Public Health, Welfare and Labor Committee. This bill contains an agreement negotiated between the trial lawyers and nursing homes.

CRIMINAL UCC FILINGS

HB 1161 by Rep. Lindsley Smith and Sen. David Johnson has been referred to the Senate Judiciary Committee. It would create the offense of fraudulent filing of a uniform commercial code financing statement, a Class A misdemeanor for the first offense, Class D felony for a subsequent offense, and provides for civil causes of action. This is a Judicial Council bill which is similar to legislation that has been enacted in other states to deal with the growing problem of fraudulent filing of Uniform Commercial Code financing statements. The action must be taken with the purpose to defraud or harass knowing that it is baseless in order to be prohibited conduct.

PRESIDENTIAL POPULAR VOTE ELECTION

HB 1339 has been re-referred to the House State Agencies and Governmental Affairs Committee. Essentially, this bill would allow the President of the United States to be elected by a popular vote. We fear this would greatly reduce Arkansas's relevance in electing our nation's president.

YESTERDAY AT THE CAPITOL

HB 1464 by Rep. Jim Nickels was filed yesterday and has been referred to the House Public Health Welfare and Labor Committee. It would raise the minimum wage from \$6.25 per hour to \$6.55 immediately, and to \$7.25, the federal rate,

on July 24, 2009. The bill also makes changes to tip wages that would undue an arrangement that was negotiated in a recent special session.

HB 1479 by Rep. Darrin Williams is another bill of interest that was filed yesterday. It would create a Class D felony for the offense of damaging wires and other fixtures of telephone, cable and electric power companies and add new restrictions and requirements on scrap metal dealers. This bill has been the subject of negotiations over the past few weeks and was filed as an agreed bill by the parties in interest. The State Chamber/AIA supports this bill to reduce the outbreak of copper theft in Arkansas. It has been referred to the House Judiciary Committee.

Daily Legislative Update
Monday, February 16, 2009
36th Day of the 87th General Assembly

STATE CHAMBER/AIA BILL TRACKING

To date, the House has filed 463 bills and the Senate has filed 362 bills.
The State Chamber/AIA is tracking 197 bills and resolutions.

* * * **CALLS TO ACTION** * * *

MANUFACTURERS SALES TAX EXEMPTION FOR UTILITY USAGE

It is important that a clear message be sent to members of the legislature by the manufacturing community that help is needed to keep Arkansas manufacturers competitive with our surrounding states. Currently, Arkansas charges manufacturers a 4 percent sales tax on their utility usage while Mississippi is the only surrounding state that charges any such sales tax and their rate is only 1.5 percent. Please encourage your legislators to support a sales tax reduction for manufacturers' utility usage.

WORKERS' COMPENSATION

HB 1362, the agreed bill between management and labor, was amended Friday and is expected to be considered Wednesday by the House Insurance & Commerce Committee. We believe all of the unrelated concerns have been cleared up. Please encourage your legislators to honor the workers' comp agreement between the State Chamber/AIA and the AFL-CIO by passing HB 1362 as soon as possible.

New bills added to the State Chamber/AIA tracking today:

<u>HB 1446</u>	<u>Cook</u> <u>Miller</u>	Adds gas transmission and distribution facilities to the list of capital improvement facilities that Public Facilities Boards may finance.
<u>HB 1460</u>	<u>Davenport</u>	Changes the definition of manufactured home under the Uniform Motor Vehicle Administration, Certificate of Title and Anti-theft Act.
<u>HB 1462</u>	<u>Edwards</u> <u>Thompson</u>	Revises the Business Corporation Act, the Small Business Entity Tax Pass Through Act and the Uniform Partnership Act to allow any business entity to convert to or merge with any other business entity.

FOOD TAX

SB 88 by Sen. Bobby Glover would reduce the sales tax on food and food ingredients by 1 percent. It remains on the House Revenue and Taxation Committee agenda. **HB 1454** by Rep. Frank Glidewell seeks to remove the state sales tax on food and is also on the agenda in the House Revenue and Taxation Committee.

AUTHORIZATION FOR ADEQ TO GATHER INFORMATION

HB 1279 by Rep. Keith Ingram is a bill to allow ADEQ to access employer lists to gather required information to satisfy the federal EPA. The State Chamber/AIA agrees with this bill. It received a do pass from the Senate State Agencies and Governmental Affairs Committee last week and awaits consideration by the full Senate.

NURSING HOMES

HB 1232 by Rep. George Overbey and Sen. Barbara Horn has been referred to the Senate Public Health, Welfare and Labor Committee. This bill contains an agreement negotiated between the trial lawyers and nursing homes.

CRIMINAL UCC FILINGS

HB 1161 by Rep. Lindsley Smith and Sen. David Johnson has been referred to the Senate Judiciary Committee. It would create the offense of fraudulent filing of a uniform commercial code financing statement, a Class A misdemeanor for the first offense, Class D felony for a subsequent offense, and provides for civil causes of action. This is a Judicial Council bill which is similar to legislation that has been enacted in other states to deal with the growing problem of fraudulent filing of Uniform Commercial Code financing statements. The action must be taken with the purpose to defraud or harass knowing that it is baseless in order to be prohibited conduct.

PRESIDENTIAL POPULAR VOTE ELECTION

HB 1339, which was given a Do Pass recommendation by the House State Agencies and Governmental Affairs Committee on February 4, has been amended a couple of times making changes to the sponsors list but was never considered by the full House for a vote. Last week, the bill was re-referred to committee. Essentially this bill would allow the President of the United States to be elected by a popular vote. We fear this would greatly reduce Arkansas's relevance in electing our nation's president.

LAST WEEK AT THE CAPITOL

IMMIGRATION

HB 1383 by Rep. Jim Nickels would have authorized the Contractors Licensing Board to, after notice and hearing, impose civil penalties up to \$200 per day and suspend or revoke a contractor's certificate of license for knowingly employing illegal immigrants. The Board and the various contractors' associations opposed the bill. This bill failed on a voice vote in the House State Agencies and Governmental Affairs Committee on Friday.

Daily Legislative Update
Friday, February 13, 2009
33rd Day of the 87th General Assembly

STATE CHAMBER/AIA BILL TRACKING

To date, the House has filed 457 bills and the Senate has filed 362 bills.

The State Chamber/AIA is tracking 194 bills and resolutions.

* * * **CALLS TO ACTION** * * *

MANUFACTURERS SALES TAX EXEMPTION FOR UTILITY USAGE

The legislature has been focused on the tobacco tax and it will likely be a few more weeks before tax exemption bills get any real consideration. However, it is now time to start letting your legislator know that the manufacturing community needs relief by reducing the sales tax manufacturers pay on their utility usage. Currently, Arkansas charges manufacturers 4 percent while Mississippi is the only surrounding state that charges any such sales tax and their rate is only 1.5 percent. **It is very important that manufacturers make contact with their legislators and encourage the passage of a utility sales tax reduction for manufacturers. Look for an opportunity to visit in person with your legislator this weekend.**

WORKERS' COMPENSATION

HB 1362, the agreed bill between management and labor, will be amended on the House floor tomorrow and therefore is not eligible to be considered in the House Insurance & Commerce Committee until its next meeting, which will be Wednesday, February 18. We met yesterday morning with a group of legislators, labor representatives, state officials and home builders to discuss the intent of our bill. It appears the primary holdup on our agreed bill was concern by a group of legislators over a bill that passed two years ago. We believe we cleared up all of the concerns. **Please encourage your legislators to honor the workers' comp agreement between management and labor and pass HB 1362 as soon as possible.**

IMMIGRATION

HB 1383 by Rep. Jim Nickels would authorize the Contractors Licensing Board to, after notice and hearing, impose civil penalties up to \$200 per day and suspend or revoke a contractor's certificate of license for knowingly employing illegal immigrants. The Board and the various contractors' associations are opposed. This bill will likely be considered in the House State Agencies and Governmental Affairs Committee this morning.

New bills added to the State Chamber/AIA tracking today:

<u>HB 1441</u>	<u>Sample</u>	Requires the Finance and Administration Department to perform a comprehensive review of the state's income tax structure and make recommendations to the House Revenue and Taxation Committee by January 1, 2010.
<u>HB 1447</u>	<u>Woods</u> <u>Key</u>	Exempts up to \$10,000 per year of bonus pay and all overtime pay from the Arkansas income tax.
<u>HB 1451</u>	<u>Hoyt</u> <u>Bryles</u>	Levies a dairy stabilization fee of \$.30 per hundred weight of packaged milk on milk wholesalers, with which the Agriculture Department will make support payments of up to \$5 per hundred weight to milk producers based on certain calculations.

<u>HB 1453</u>	<u>Tyler</u>	Authorizes the Department of Labor to seek recovery in court of fees charged or collected unlawfully by private employment agencies.
<u>HB 1454</u>	<u>Glidewell</u>	Eliminates the state portion of the sales and use tax on food.
<u>SB 361</u>	<u>Luker</u> <u>Brown</u>	Increases the fee per ton of fertilizer shipped for sale from \$1.20 per ton to \$2.40 per ton.

FOOD TAX

SB 88 by Sen. Bobby Glover would reduce the sales tax on food and food ingredients by 1 percent. It remains on the House Revenue and Taxation Committee agenda. **HB 1454** by Rep. Frank Glidewell is a new bill filed yesterday that seeks to remove the state sales tax on food.

AUTHORIZATION FOR ADEQ TO GATHER INFORMATION

HB 1279 by Rep. Keith Ingram is a bill to allow ADEQ to access employer lists to gather required information to satisfy the federal EPA. The State Chamber/AIA agrees with this bill. It received a do pass from the Senate State Agencies and Governmental Affairs Committee last week and awaits consideration by the full Senate.

YESTERDAY AT THE CAPITOL

TOBACCO TAX

HB 1204 by Rep. Gregg Reep and Sen. Tracy Steele passed the Senate yesterday 28-7. It will now go to the Governor for his signature. This bill would provide funding for a hospital trauma system and other statewide healthcare needs.

NURSING HOMES

HB 1232 by Rep. George Overbey and Sen. Barbara Horn passed the House yesterday by a vote of 93-4. This bill contains an agreement negotiated between the trial lawyers and nursing homes.

CRIMINAL UCC FILINGS

HB 1161 by Rep. Lindsley Smith and Sen. David Johnson passed the House yesterday by a vote of 95-0. This bill would create the offense of fraudulent filing of a uniform commercial code financing statement, a Class A misdemeanor for the first offense, Class D felony for a subsequent offense, and provides for civil causes of action. This is a Judicial Council bill which is similar to legislation that has been enacted in other states to deal with the growing problem of fraudulent filing of Uniform Commercial Code financing statements. The action must be taken with the purpose to defraud or harass knowing that it is baseless in order to be prohibited conduct.

PRESIDENTIAL POPULAR VOTE ELECTION

HB 1339, which was given a Do Pass recommendation by the House State Agencies and Governmental Affairs Committee on February 4, has been amended a couple of times making changes to the sponsors' list but was never considered by the full House for a vote. Yesterday, the bill was re-referred to committee. Essentially, this bill would allow the President of the United States to be elected by a popular vote. We fear this would greatly reduce Arkansas's relevance in electing our nation's president.

Daily Legislative Update
Thursday, February 12, 2009
32nd Day of the 87th General Assembly

STATE CHAMBER/AIA BILL TRACKING

To date, the House has filed 435 bills and the Senate has filed 355 bills.
The State Chamber/AIA is tracking 187 bills and resolutions.

* * * **CALLS TO ACTION** * * *

MANUFACTURERS SALES TAX EXEMPTION FOR UTILITY USAGE

We secured a House sponsor yesterday and should have a bill filed in a day or so that seeks a full sales tax exemption for all manufacturers' utility usage. Arkansas is not competitive with its surrounding states on this issue. Mississippi is the only state bordering Arkansas that charges sales taxes on utility usage by manufacturers but their rate is only 1.5 percent while Arkansas currently charges 4 percent. Louisiana, Tennessee, Missouri, Oklahoma and Texas do not apply a sales tax to manufacturers' utility costs. **Please encourage your legislators to make Arkansas more competitive by urging their support for a utility sales tax exemption for manufacturers.**

WORKERS' COMPENSATION

HB 1362, the agreed bill between management and labor, was not considered yesterday by the House Insurance and Commerce Committee as we expected. A draft amendment was completed and circulated yesterday. This morning, there will be a meeting to help legislators, concerned with the portion of the bill that addresses contractors, understand the simple intent of the agreement. There will be representatives from the Home Builders Association, Associated Builders and Contractors, Contractors Licensing Board and the Workers' Compensation Commission on hand to answer questions—all of these groups support the language in our bill as do the Associated General Contractors. **Please encourage your legislators to honor the agreement between management and labor and pass HB 1362 as soon as possible.**

TOBACCO TAX

HB 1204 by Rep. Gregg Reep and Sen. Tracy Steele received a Do Pass from the Senate Committee on Revenue and Taxation yesterday. It must now be voted on by the full Senate. This bill would provide funding for a hospital trauma system and other statewide healthcare needs.

FOOD TAX

SB 88 by Sen. Bobby Glover would reduce the sales tax on food and food ingredients by 1 percent. It was not considered Tuesday by the House Revenue and Taxation Committee and remains on the agenda for this morning.

NURSING HOMES

HB 1232 by Rep. George Overbey and Sen. Barbara Horn is on today's House calendar. This bill contains an agreement negotiated between the trial lawyers and nursing homes.

CRIMINAL UCC FILINGS

HB 1161 by Rep. Lindsley Smith and Sen. David Johnson is on today's House calendar. This bill would create the offense of fraudulent filing of a uniform commercial code financing statement, a Class A misdemeanor for the first offense, Class D felony for a subsequent offense, and provides for civil causes of action. This is a Judicial Council bill which is similar to legislation that has been enacted in other states to deal with the growing problem of fraudulent filing of Uniform Commercial Code financing statements. The action must be taken with the purpose to defraud or harass knowing that it is baseless in order to be prohibited conduct.

AUTHORIZATION FOR ADEQ TO GATHER INFORMATION

HB 1279 by Rep. Keith Ingram is a bill to allow ADEQ to access employer lists to gather required information to satisfy the federal EPA. The State Chamber/AIA agrees with this bill. It received a do pass from the Senate State Agencies and Governmental Affairs Committee on Tuesday and awaits consideration by the full Senate.

New bills added to the State Chamber/AIA tracking today:

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|----------------|----------------------|--|
| <u>HB 1417</u> | <u>Allen Bookout</u> | Authorizes the Public Service Commission to adopt alternative ratemaking mechanisms, deviate from rate/base of return regulation, and include development, construction and transmission system upgrades in a utility's rates. |
| <u>HB 1424</u> | <u>Webb Glover</u> | Requires drilling fluid land application facilities provide a financial mechanism for the proper closure of the facility to the Department of Environmental Quality. |
| <u>HJR1006</u> | <u>Shelby</u> | Proposes an amendment to the constitution increasing the term limits of county officials from two to four years and providing for recall procedures for those officials. |
| <u>HJR1007</u> | <u>Wills</u> | Proposes an amendment to the constitution removing the requirement that economic development bonds authorized by the General Assembly must go to companies planning to invest over \$500,000,000 in capital and hire over 500 new employees. |
| <u>HJR1008</u> | <u>Hutchinson</u> | Requires that a State Highway Commissioner reside in the congressional district he or she represents and that discretionary funding be divided equally between the congressional districts and reported annually to the General Assembly. |
| <u>HJR1009</u> | <u>Carroll</u> | Proposes an amendment to the constitution repealing the prohibition against an atheist holding office or testifying in court. |
| <u>HJR1010</u> | <u>Burris, J.</u> | To amend the constitution regarding equality before the law.
(Incomplete resolution) |
| <u>HJR1011</u> | <u>Green</u> | Proposes an amendment to the constitution providing that lottery proceeds are subject to appropriation by the General Assembly (previously cash funds held apart from the State Treasury). |
| <u>HJR1012</u> | <u>Roebuck</u> | Proposes an amendment to the constitution repealing Amendment 33, which restricts the power of other governmental officers and branches to abolish boards and commissions, transfer powers, remove board members, and other. |
| <u>HJR1013</u> | <u>Wills</u> | To amend the constitution relating to economic growth and job creation through state investment in technology-based enterprises. |

		(Incomplete resolution)
<u>SB 349</u>	<u>Laverty</u>	Increases the research and promotion assessment on rice from 1.35 cents to 2.7 cents per bushel and requires it be paid by the producer rather than the buyer; requires buyer to collect and remit to the Dept. of Finance and Administration.
<u>SJR 11</u>	<u>Smith, T.</u>	To amend the constitution as it relates to the State Game and Fish Commission. (Incomplete Resolution)

YESTERDAY AT THE CAPITOL

COURT DECISIONS

SB 33 by Sen. Robert Thompson passed the House yesterday by a vote of 93-1 and will now go to the Governor's desk for his signature.

FISCAL SESSIONS

The Joint Budget Committee voted yesterday to adopt the February schedule for next year's fiscal session. [Here](#) is a link to an *Arkansas Business* article with details on the February plan.

CONSTITUTIONAL AMENDMENTS

Yesterday was the deadline to file proposed constitutional amendments. Rep. Steve Harrelson in his [Under the Dome](#) blog provides the following summary of all the proposals that have been filed.

House (13 proposals filed):

- HJR1001** (Greenberg): Modifies constitution regarding conduct of special elections
- HJR1002** (Ragland): Abolishes the office of Constable
- HJR1003** (Maloch): Removes interest rate limits on bonds/loans involving government
- HJR1004** (Cheatham): Concerning interest rate limits
- HJR1005** (Greenberg): Changes apportionment
- HJR1006** (Shelby): Increases terms of county officials to 4 yrs; adds recall procedure
- HJR1007** (Wills): Amends Amendment 82 (super-projects)
- HJR1008** (Hutchinson): Changes Amendment 42 concerning the Arkansas Highway Commission
- HJR1009** (Carroll): Allows atheists to hold office and testify in court
- HJR1010** (J. Burris): Equal Rights Amendment.
- HJR1011** (Green): Amends Lottery Amendment
- HJR1012** (Roebuck): Modifies Amendment 33 (boards/commissions governing state institutions)
- HJR1013** (Wills): Promotes growth and jobs through investment in technology-based enterprises

Senate (11 proposals filed):

- SJR1** (Glover): An amendment concerning serving of county officials and justices of the peace
- SJR2** (Glover): Repeals annual sessions
- SJR3** (Faris): Constitutional right to hunt and fish
- SJR4** (Prichard): Changes term limits
- SJR5** (Baker): Increases length of terms of some county officials and makes them non-partisan
- SJR6** (Broadway): (Broadway): Classifies savings from certain projects as revenue under bond statutes
- SJR7** (Malone): Repeals annual sessions
- SJR8** (Bryles): An amendment to improve the lives of Arkansans
- SJR9** (Bryles): Modifies term limits

SJR10 (Malone): Repeals annual sessions

SJR11 (Smith): Repeals provisions pertaining to the Arkansas Game & Fish Commission

Daily Legislative Update
Wednesday, February 11, 2009
31st Day of the 87th General Assembly

STATE CHAMBER/AIA BILL TRACKING

To date, the House has filed 414 bills and the Senate has filed 341 bills.
The State Chamber/AIA is tracking 175 bills and resolutions.

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

MANUFACTURERS SALES TAX EXEMPTION FOR UTILITY USAGE

We continue working to get a bill filed that seeks a full sales tax exemption for all manufacturers' utility usage. This is necessary to make Arkansas competitive with our surrounding states. Mississippi is the only state bordering Arkansas that charges sales taxes on utility usage by manufacturers, but their rate is only 1.5 percent while Arkansas currently charges 4 percent. Louisiana, Tennessee, Missouri, Oklahoma and Texas do not apply a sales tax to manufacturers' utility costs. Please encourage your legislator to make Arkansas more competitive by urging their support for a utility sales tax exemption for manufacturers.

WORKERS' COMPENSATION

HB 1362 is the bill that contains the agreement between the State Chamber/AIA. We ran into opposition last Friday on this bill from legislators who had heard from small contractors back home—mostly residential contractors. The intent of the section in the agreed bill that caused concern was only to improve the accepted forms of proof of insurance by contractors. Unfortunately, the wording had a minor flaw and there were some misunderstandings related to an Act from the 2007 session. An amendment has been drafted to address concerns about **HB 1362**'s impact on the selected contractors and we will circulate the amendment today among interested legislators. Thanks to the Contractors Licensing Board and the Associated General Contractors for helping with the language. It would be helpful to remind your legislators about the importance of having a workers' compensation agreement with labor and urge their support of the agreed bill.

COURT DECISIONS

SB 33 by Sen. Robert Thompson received a do pass from the House Judiciary Committee yesterday and will now go before the full House. It would remove the prohibition against citing unpublished decisions of the Court of Appeals as precedent. SB 33 would only affect unpublished opinions on a going-forward basis. SB 33 could be impacted by the passage of **HB 1033** by Rep. Steve Harrelson, which makes changes in how court cases are reported. HB 1033 remains on the Senate Judiciary agenda.

AUTHORIZATION FOR ADEQ TO GATHER INFORMATION

HB 1279 by Rep. Keith Ingram is a bill that would allow ADEQ to access employer lists to gather required information to satisfy the federal EPA. The State Chamber/AIA agrees with this bill as did the ESD Advisory Council on which members of the State Chamber/AIA Unemployment Insurance Committee sit along with members of the AFL-CIO and the public. It received a do pass from the Senate State Agencies and Governmental Affairs Committee yesterday and will now be voted on by the full Senate.

TOBACCO TAX

HB 1204 by Rep. Gregg Reep and Sen. Tracy Steele is on this morning's Senate Committee on Revenue and Taxation agenda. This bill would provide funding for a hospital trauma system and other statewide healthcare needs.

FISCAL SESSIONS

The Joint Budget Committee is scheduled to vote this morning on procedures for next year's fiscal session. State agencies and others are anxious to have the Committee's final word on how the fiscal sessions will function. Also, yesterday, Sen. Percy Malone filed a constitutional amendment to refer the annual session measure back to voters in 2010.

New bills added to the State Chamber/AIA tracking today:

- HB 1411 Shelby Steele Authorizes the Department of Health to grant funds to emergency medical care and ambulance providers, trauma rehabilitation services, and to hospitals to assist qualification as trauma centers; more. (Same as SB 315)
- HJR1003 Maloch Proposes an amendment to the constitution removing the interest rate limits on bonds issued by governmental units and loans made to governmental units.
- HJR1004 Cheatham Proposes an amendment to the constitution concerning interest rate limits. (incomplete resolution).
- HJR1005 Greenberg Proposes an amendment to the constitution creating the Apportionment Commission to reapportion the state for senators and representatives, to be either approved by the Board of Apportionment or resolved by the Supreme Court.
- SB 333 Altes Glidewell Creates an income tax credit of \$10 for each eight hours of accrued annual leave or sick leave donated to the catastrophic leave bank program.
- SB 336 Hendren Requires valuation of real property to be based on its mark-to-market valuation for purposes of property tax; defines mark-to-market as an accounting methodology of assigning a value based on the current market price.
- SB 338 Bryles Roebuck Places restrictions on advertising of alcoholic beverages by manufacturers, distributors and retailers.
- SB 339 Luker Allows a party to a proceeding aggrieved by an order of the Public Service Commission regarding the assessment or equalization of property to directly seek a review of the order at the Court of Appeals.
- SJR 7 Malone, P. Proposes an amendment to the Arkansas Constitution to repeal the requirement for a budget session of the General Assembly in even-numbered years and to make appropriations valid for two fiscal years.
- SJR 8 Bryles Proposes an amendment to the Constitution to improve the lives of Arkansans. (incomplete resolution).
- SJR 9 Bryles Proposes an amendment to the constitution concerning term limits for members of the General Assembly. (incomplete resolution)
- SJR 10 Malone, P. Proposes an amendment to the Arkansas Constitution to repeal the requirement for a budget session of the General Assembly in even-numbered years, to make appropriations valid for two fiscal years, and to make conforming amendments.

FOOD TAX

SB 88 by Sen. Bobby Glover would reduce the sales tax on food and food ingredients by 1 percent. It was not considered yesterday by the House Revenue and Taxation Committee and remains on the agenda for tomorrow.

YESTERDAY AT THE CAPITOL

NURSING HOMES

HB 1232 by Rep. George Overbey and Sen. Barbara Horn is a bill that contains an agreement negotiated between the trial lawyers and nursing homes. The bill received a do pass as amended from the House Public Health Committee yesterday and is on today's House calendar under Member's Own Bill-Own Amendment. Since the tort reform laws were passed in 2003, the Committee to Save Arkansas Jobs/State Chamber/AIA and the Trial Lawyers Association have operated under an agreement that neither would push any new legislation related to tort reform. After HB 1232 was filed, the trial lawyers considered it a violation of the agreement but they worked with the nursing homes and reached an agreement.

CRIMINAL UCC FILINGS

HB 1161 by Rep. Lindsley Smith and Sen. David Johnson received a do pass as amended from the House Judiciary Committee yesterday. It is on the Member's Own Bill-Own Amendment section of today's House calendar. This bill would create the offense of fraudulent filing of a uniform commercial code financing statement, a Class A misdemeanor for the first offense, Class D felony for a subsequent offense, and provides for civil causes of action. This is a Judicial Council bill which is similar to legislation that has been enacted in other states to deal with the growing problem of fraudulent filing of Uniform Commercial Code financing statements. The action must be taken with the purpose to defraud or harass knowing that it is baseless in order to be prohibited conduct.

Tuesday, February 10, 2009
30th Day of the 87th General Assembly

To date, the House has filed 410 bills and the Senate has filed 332 bills.
The State Chamber/AIA is tracking 163 bills and resolutions.

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

MANUFACTURERS SALES TAX EXEMPTION FOR UTILITY USAGE

We have been working the issue of expanding the sales tax reduction for manufacturers' utility usage quietly since the session began. However, it is now time to ask your legislators to support an exemption. We are working to get a bill filed that will provide a full sales tax exemption for all manufacturers' utility usage.

FOOD TAX

SB 88 by Sen. Bobby Glover would reduce the sales tax on food and food ingredients by 1 percent. It is on today's House Revenue and Taxation Committee agenda.

COURT DECISIONS

SB 33 by Sen. Robert Thompson is on this morning's House Judiciary Committee agenda. It would remove the prohibition against citing unpublished decisions of the Court of Appeals as precedent. SB 33 would only affect unpublished opinions on a going-forward basis. SB 33 could be impacted by the passage of **HB 1033** by Rep. Steve Harrelson, which makes changes in how court cases are reported. HB 1033 remains on the Senate Judiciary agenda.

AUTHORIZATION FOR ADEQ TO GATHER INFORMATION

HB 1279 by Rep. Keith Ingram is a bill that would allow ADEQ to access employer lists to gather required information to satisfy the federal EPA. The State Chamber/AIA agrees with this bill as did the ESD Advisory Council on which members of the State Chamber/AIA Unemployment Insurance Committee sit along with members of the AFL-CIO and the public. It is on today's Senate State Agencies and Governmental Affairs Committee agenda.

NURSING HOMES

HB 1232 by Rep. George Overbey and Sen. Barbara Horn is a bill that created a bit of tension when it was filed a couple of weeks ago. Since the tort reform laws were passed in 2003, the Committee to Save Arkansas Jobs/State Chamber/AIA and the Trial Lawyers Association have operated under an agreement that neither would push any new legislation related to tort reform. When HB 1232 was filed, the trial lawyers considered it a violation of the agreement. However, the trial lawyers and nursing homes worked together and reached an agreement that this bill was not a tort reform bill and they have agreed on the language of the bill. The proposed bill would provide long-term care quality assurance committee members protection from civil action for acts taken within the scope of the committee without malice or fraud, and provides that committee proceedings are confidential.

CRIMINAL UCC FILINGS

HB 1161 by Rep. Lindsley Smith and Sen. David Johnson is on the agenda in the House Judiciary Committee. This bill would create the offense of fraudulent filing of a uniform commercial code financing statement, a Class A misdemeanor for the first offense, Class C felony for a subsequent offense, and provides for civil causes of action.

New bills added to the State Chamber/AIA tracking today:

- HB 1394 Edwards Adds code enforcement officers and animal control officers to the criminal offense of obstructing governmental operations.
- HB 1395 Edwards Adds code enforcement officers and animal control officers to the criminal offense of obstructing interference with a law enforcement officer.
- HB 1396 Edwards Adds code enforcement officers and animal control officers to the criminal offense of battery in the second degree.
- HB 1407 Greenberg Allows insurers to offer health care coverage insurance without regard for state-mandated benefits.
- HB 1410 Hoyt
Smith, T. Includes mortgage lien protection in the definition of casualty insurance for purposes of the Insurance Code, specifying proper issuance, coverage, credit ramifications, and other.
- SB 317 Faris
Saunders Prohibits specific political contributions from prohibited political action committees, requires registration of independent expenditure committees, prohibits public employees from devoting office time to gathering signatures, more.
- SB 320 Bryles Authorizes municipalities to refer to the voters a change to extend the expiration date for a local sales and use tax beyond the expiration date previously approved.
- SB 321 Bryles Authorizes counties to refer to the voters a change to extend the expiration date for a local sales and use tax beyond the expiration date previously approved.
- SB 322 Teague Amends sales tax provisions to be consistent with the Streamlined Sales and Use Tax Agreement and provides that sales tax is levied on the withdrawal of goods from the stock of an established business.
- SB 323 Capps Adds a definition of developmental disability to income tax provisions, replacing the code reference to ACA 20-48-202 and -101.
- SJR 6 Broadway
Dismang Proposes an amendment to the Constitution, making savings from performance-based efficiency projects revenue under the revenue bond statutes (incomplete bill).

WORKERS' COMPENSATION

HB 1362 by Representatives Mike Burris & Rick Green and Senators Jerry Taylor and Joyce Elliott contains the agreement between the State Chamber/AIA and the AFL-CIO. Work is continuing on the language in the bill related to requirements for proof of insurance to the Contractors Licensing Board. We are working with labor, the Associated General Contractors, the Contractors Licensing Board and legislators to amend the language to eliminate concerns.

TOBACCO TAX

HB 1204 by Rep. Gregg Reep and Sen. Tracy Steele is on tomorrow's Senate Committee on Revenue and Taxation agenda. This bill would provide funding for a hospital trauma system and other statewide healthcare needs.

YESTERDAY AT THE CAPITOL

HIGHWAYS

SB 104 by Sen. Bobby Glover passed the House yesterday by a vote of 95-1 and will now go to Governor Beebe for his signature. It would extend the State Highway Commission's window of time to issue bonds for interstate improvement from the end of 2013 to the end of 2015. The State Chamber/AIA supported the original interstate bond program in 1999 and its renewal in 2007.

LOTTERY

Yesterday, members of the General Assembly were given a report by the select group of legislators that have been working behind the scenes on the legislative issues related to the lottery. Rep. Steve Harrelson reports on his blog, www.underthedome.com that a bill is expected by Friday. Here is a summary of the recommendations from Rep. Harrelson:

A few highlights of the scholarship component:

- A new scholarship would be created temporarily named the "Arkansas Opportunity Scholarship." Eligibility: (1) Graduate from high school with a 2.5 GPA, (2) score 19 on the ACT or (3) earn a 2.5 GPA after completing 12 semester hours at a two year or four-year college.
- Initial scholarship awards would be at least \$1,500 per year at a four-year school and \$750 per year at a two-year school.
- The scholarship could be renewed for up to 130 attempted semester hours if the recipient maintains a 2.5 grade-point average.
- A Smart Core Incentive will provide \$500 beyond the Opportunity Scholarship.
- A Transfer Scholarship of \$2,500 each year will be created for recipients who complete an associate degree and go on to a four-year degree program.
- A STEM (Science, Technology, Engineering, Math) Grant will be created for applicants who are admitted to a higher education program in a high-demand science, technology, engineering and mathematics field, which will be determined by the governor's Workforce Cabinet. Eligibility requirements would include a 2.75 GPA to receive and keep a grant. We would also expand GO, CHALLENGE, and other existing scholarship programs.

Highlights of the governing component:

- A nine-member lottery commission would establish and oversee the lottery.
- The commission would appoint a director for the lottery's daily operations.
- A Lottery Scholarship Division would be created within the Dept of Higher Ed and would develop the rules, determine eligibility and determine the amount of the scholarship and grant awards.
- The legislation would bar a lottery vendor from making political contributions or gifts to a public official and commission members or employees.
- The commission would provide compensation to lottery retailers of at least 5 percent of gross sales, the memo said.

- Unclaimed winnings (up to \$200,000) will go in a fund to help with gambling addiction.
- A reserve fund of up to \$50 million will fund scholarships in the event the bottom falls out of the economy or if ticket sales fall to zero.
- If you win the lottery, any child support arrears, tax liens or judgments will come off the top.
- Casino-style gambling and video lotteries would be explicitly prohibited under the legislation.

Monday, February 09, 2009
29th Day of the 87th General Assembly

**To date the House has filed 402 bills and the Senate has filed 319 bills.
The State Chamber/AIA is tracking 153 bills and resolutions**

POPULAR VOTE FOR U.S. PRESIDENT

HB 1339 by Representatives Eddie Cooper, Monty Davenport, Linda Tyler and Andrea Lea and Senator Terry Smith, was not considered by the full House on Friday but remains on the House calendar for today. This bill would require Arkansas's delegation of presidential electors in a presidential election to be appointed based on the nationwide popular vote total, rather than the popular vote in Arkansas. We are concerned that the loss of the electoral voting system would greatly reduce Arkansas's impact on electing the President of the United States.

HIGHWAYS

SB 104 by Sen. Bobby Glover would extend the State Highway Commission's window of time to issue bonds for interstate improvement from the end of 2013 to the end of 2015. The State Chamber/AIA supported the original interstate bond program in 1999 and its renewal in 2007. This bill is on today's House floor calendar for final consideration.

MANUFACTURERS SALES TAX EXEMPTION FOR UTILITY USAGE

Now that the action on other tax issues has been clarified somewhat, the State Chamber/AIA will begin working with potential sponsors and supporters about our priority of moving toward a full sales tax exemption for manufacturers' utility usage. This is an important economic development issue to make Arkansas competitive with its surrounding states, all of which either have a full exemption or charge a lower sales tax rate than Arkansas.

TOBACCO TAX

HB 1204 by Rep. Gregg Reep and Sen. Tracy Steele has been referred to the Senate Committee on Revenue and Taxation. This bill would provide funding for a hospital trauma system and other statewide healthcare needs.

FOOD TAX

SB 88 by Sen. Bobby Glover would reduce the sales tax on food and food ingredients by 1%. It has been assigned to the House Revenue and Taxation Committee.

COURT DECISIONS

SB 33 by Sen. Robert Thompson has been referred to the House Judiciary Committee. It would remove the prohibition against citing unpublished decisions of the Court of Appeals as precedent. SB 33 would only affect un-published opinions on a going forward basis. SB 33 could be impacted by the passage of **HB 1033** by Rep. Steve Harrelson, which makes changes in how court cases are reported. HB 1033 remains on the Senate Judiciary agenda.

AUTHORIZATION FOR ADEQ TO GATHER INFORMATION

HB 1279 by Rep. Keith Ingram is a bill that would allow ADEQ to access employer lists to gather required information to satisfy the federal EPA. The State Chamber/AIA agrees with this bill as did the ESD Advisory Council on which members of the State Chamber/AIA Unemployment Insurance Committee sit along with members of the AFL-CIO and the public. It has been assigned to the Senate State Agencies and Governmental Affairs Committee.

LOTTERY

Information about the legislatures approach to implementing the state wide lottery is expected to take center state this week.

LAST WEEK AT THE CAPITOL

WORKERS' COMPENSATION

HB 1362 by Representatives Mike Burris & Rick Green and Senators Jerry Taylor & Joyce Elliott that contains the agreement between the State Chamber/AIA and the AFL-CIO, was presented to the House Insurance and Commerce Committee on Friday. Unfortunately the committee raised concerns about unintended consequences from the language regarding the Contractors Licensing Board. We are working with labor, the Associated General Contractors and the Contractors Licensing Board to amend the language to eliminate concerns. We hope to have this done by the time the House Insurance and Commerce Committee meets again on Wednesday.

Friday, February 06, 2009
26th Day of the 87th General Assembly

**To date, the House has filed 391 bills and the Senate has filed 319 bills.
The State Chamber/AIA is tracking 152 bills and resolutions.**

WORKERS' COMPENSATION

HB 1362 by Representatives Mike Burris and Rick Green, and Senators Jerry Taylor and Joyce Elliott was amended as agreed yesterday. It is expected to be considered this morning in the House Insurance and Commerce Committee. Another amendment may be made to clarify the intent of language related to the Contractors Licensing Board. This bill contains the agreement on workers' compensation issues negotiated by the State Chamber/AIA and the AFL-CIO.

It is looking like the amendment to **HB 1266** has taken the workers' compensation issue out of the bill.

POPULAR VOTE FOR U.S. PRESIDENT

HB 1339, by Representatives Eddie Cooper, Monty Davenport, Linda Tyler and Andrea Lea, and Senator Terry Smith, received a Do Pass recommendation Wednesday from the House State Agencies and Governmental Affairs Committee. It was not considered by the full House yesterday and is not yet on the House Calendar for today. This bill would require Arkansas's delegation of presidential electors in a presidential election to be appointed based on the nationwide popular vote total, rather than the popular vote in Arkansas. We are concerned that the loss of the electoral voting system would greatly reduce Arkansas's impact on electing the President of the United States.

New bills added to State Chamber/AIA tracking today:

<u>HB 1383</u>	<u>Nickels</u> <u>Elliott</u>	Authorizes the Contractors Licensing Board, after notice and hearing, to impose civil penalties of up to \$200 per day for each violation against contractors who knowingly employ illegal immigrants.
<u>HB 1390</u>	<u>Smith, G.</u>	Requires applicants for a temporary license for a master electrician or journeyman electrician to meet the experience qualifications required in rules promulgated by the Board of Electrical Examiners.
<u>SB 315</u>	<u>Steele</u> <u>Shelby</u>	Authorizes the Department of Health to grant funds to emergency medical care providers, ambulance providers, trauma rehabilitation service, and to hospitals to assist qualification as trauma centers; to create a communication network; more.
<u>SJR 4</u>	<u>Pritchard</u>	Proposes an amendment to the Arkansas Constitution limiting total service in the General Assembly to 14 years, excluding partial terms resulting from special elections and two-year terms drawn following reapportionment.
<u>SJR 5</u>	<u>Baker, G.</u>	Proposes an amendment to the Arkansas Constitution to increase the length of terms for certain county officials. (Incomplete bill)

YESTERDAY AT THE CAPITOL

TOBACCO TAX

HB 1204 by Rep. Gregg Reep and Sen. Tracy Steele passed the House yesterday by a 75 to 24 vote, which was exactly the number of votes needed to pass. It has been assigned to the Senate Committee on Revenue and Taxation. This bill would provide funding for a hospital trauma system and other statewide healthcare needs.

FOOD TAX

SB 88 by Sen. Bobby Glover was approved by the full Senate yesterday on a vote of 32 to 1. This bill would reduce the sales tax on food and food ingredients by 1 percent. It has been assigned to the House Revenue and Taxation Committee.

HIGHWAYS

SB 104 by Sen. Bobby Glover received a Do Pass recommendation yesterday from the House Transportation Committee. This bill would extend the State Highway Commission's window of time to issue bonds for interstate improvement from the end of 2013 to the end of 2015. The State Chamber/AIA supported the original interstate bond program in 1999 and its renewal in 2007.

COURT DECISIONS

SB 33 by Sen. Robert Thompson was approved 35 to 0 by the Senate yesterday. It would remove the prohibition against citing unpublished decisions of the Court of Appeals as precedent. SB 33 would only affect un-published opinions on a going forward basis. SB 33 could be impacted by the passage of **HB 1033** by Rep. Steve Harrelson, which makes changes in how court cases are reported. HB 1033 remains on the Senate Judiciary agenda.

AUTHORIZATION FOR ADEQ TO GATHER INFORMATION

HB 1279 by Rep. Keith Ingram was approved by the full House yesterday by a vote of 93 to 0. This bill would allow ADEQ to access employer lists to gather required information to satisfy the federal EPA. The State Chamber/AIA agrees with this bill, as did the ESD Advisory Council on which members of the State Chamber/AIA Unemployment Insurance Committee sit along with members of the AFL-CIO and the public. It has now been assigned to the Senate State Agencies and Governmental Affairs Committee.

Thursday, February 05, 2009
25th Day of the 87th General Assembly

**To date, the House has filed 382 bills and the Senate has filed 314 bills.
The State Chamber/AIA is tracking 147 bills and resolutions.**

WORKERS' COMPENSATION

HB 1362 was filed yesterday by Rep. Mike Burris. This bill contains the agreement on workers' compensation issues negotiated by the State Chamber/AIA and the AFL-CIO. It has been assigned to the House Insurance and Commerce Committee, where it is expected to be heard on Friday morning. There will be an amendment to the bill to add Rep. Rick Green and Senators Jerry Taylor and Joyce Elliott as co-sponsors. The amendment will also fix some typographical errors and add a code cross reference.

We worked with leaders of labor most of the day yesterday to get control of the other bills filed to date that impact workers' compensation.

Sen. Joyce Elliott told the AFL-CIO president and the State Chamber/AIA Executive Vice President that she would not run **SB 237** if the AFL-CIO could not convince the firefighters union to withdraw the bill.

We are going to assist Rep. Garry Smith by providing information to his constituent with the hope of Rep. Smith not having to run **HB 1187**.

We worked with leaders of the Municipal League and Rep. Tommy Baker yesterday about **HB 1314**. This bill does not make a substantive change in workers' comp laws, but it is a workers' comp bill and if we are going to effectively negotiate with labor we must honor that process. We told the Municipal League president that we would put this bill in the negotiation process for 2011 and should have no problems helping them pass the bill in the next regular session.

Rep. Garry Smith has withdrawn his name as a sponsor of **HB 1266** and Rep. Barbara Nix has taken over as the lead sponsor. We received a draft copy of an amendment to the bill yesterday afternoon. It is being reviewed to see if the impact on workers' comp has been removed.

POPULAR VOTE FOR U.S. PRESIDENT

HB 1339 by Representatives Eddie Cooper, Monty Davenport, Linda Tyler and Andrea Lea, and Senator Terry Smith, received a Do Pass recommendation yesterday from the House State Agencies and Governmental Affairs Committee. It could be considered by the full House as early as today. This bill would require Arkansas's delegation of presidential electors in a presidential election to be appointed based on the nationwide popular vote total, rather than the popular vote in Arkansas. We are concerned that the loss of the electoral voting system would greatly reduce Arkansas's impact on electing the President of the United States.

PACKAGING MATERIALS EXEMPTION

HB 1084 by Rep. Lindsley Smith would limit the use of the "sale for resale" exemption for packaging materials sold to a manufacturer, to packaging made of biodegradable or recyclable materials. The State Chamber/AIA is opposed to this bill, which remains on the deferred list of today's House Revenue and Tax Committee agenda.

HIGHWAYS

SB 104 by Sen. Bobby Glover is on today's House Transportation Committee agenda. This bill would extend the State Highway Commission's window of time to issue bonds for interstate improvement from the end of 2013 to the end of 2015. The State Chamber/AIA supported the original interstate bond program in 1999 and its renewal in 2007.

New bills added to State Chamber/AIA tracking today:

<u>HB 1362</u>	<u>Burris, M.</u>	Exempts workers' individual or group policy benefits from the reductions that are based on previously received benefits; amends disability claims liability and eligibility measures; requires contractors to provide certified copies of coverage.
<u>HB 1363</u>	<u>Burris, M.</u>	Changes the list of reference compendia that are named as standards for determining whether insurance policies must cover cancer drugs.
<u>HB 1378</u>	<u>Maxwell</u>	Exempts from state income tax those heads of household or qualifying widows or widowers with two or more dependents whose gross income does not exceed \$17,200.

YESTERDAY AT THE CAPITOL

COURT DECISIONS

SB 33 by Sen. Robert Thompson received a do pass recommendation from the Senate Judiciary Committee yesterday and will now go before the full Senate. It would remove the prohibition against citing unpublished decisions of the Court of Appeals as precedent. SB 33 would only affect un-published opinions on a going forward basis. SB 33 could be impacted by the passage of **HB 1033** by Rep. Steve Harrelson, which makes changes in how court cases are reported.

AUTHORIZATION FOR ADEQ TO GATHER INFORMATION

HB 1279 by Rep. Keith Ingram is a bill that was presented by ADEQ to the ESD Advisory Council. It would allow ADEQ to access employer lists to gather required information to satisfy the federal EPA. The State Chamber/AIA agrees with this bill, as did the ESD Advisory Council on which members of the State Chamber/AIA Unemployment Insurance Committee sit along with members of the AFL-CIO and the public. HB 1279 received a do pass recommendation from the House State Agencies and Governmental Affairs Committee yesterday and will now go before the full House.

TOBACCO TAX

HB 1204 by Rep. Gregg Reep and Sen. Tracy Steele received a do pass from the House Rules Committee yesterday. The full House may consider the bill as early as today. This is the proposal to increase the taxes on tobacco to fund a hospital trauma system and other health care initiatives. The State Chamber/AIA favors the development of a hospital trauma system and has no position on HB 1204.

FOOD TAX

SB 88 by Sen. Bobby Glover received a Do Pass recommendation yesterday from the Senate Revenue and Taxation Committee. This bill would reduce the sales tax on food and food ingredients by 1 percent. It could be considered today by the full Senate.

Wednesday, February 04, 2009
24th of the 87th General Assembly

**To date, the House has filed 361 bills and the Senate has filed 304 bills.
The State Chamber/AIA is tracking 144 bills and resolutions.**

COURT DECISIONS

SB 33 by Sen. Robert Thompson would remove the prohibition against citing unpublished decisions of the Court of Appeals as precedent. Senator Thompson presented this bill in the Senate Judiciary Committee last Wednesday but did not ask for a vote. He wanted to give the committee time to consider the bill and is expected to bring it back up when the committee meets again this morning.

SB 33 would only affect un-published opinions on a going-forward basis. He described the issue as having been studied and recommended by the Supreme Court's Civil Practice Committee. Later the Court of Appeals judges voted against the proposal and then the Supreme Court justices voted against the proposal on a 4 to 3 vote. Passage of the bill would raise some constitutional issues according to Thompson.

SB 33 could be impacted by the passage of **HB 1033** by Rep. Steve Harrelson, which makes changes in how court cases are reported.

If the bill allows un-published opinions to continue, but gives them precedential value then we are concerned. If the bill only eliminates un-published opinions, which Sen. Thompson believes is the intent of HB 1033 then we have no concern.

AUTHORIZATION FOR ADEQ TO GATHER INFORMATION

HB 1279 by Rep. Keith Ingram is a bill that was presented by ADEQ to the ESD Advisory Council. The State Chamber/AIA agrees with this bill as did the ESD Advisory Council on which members of the State Chamber/AIA Unemployment Insurance Committee sit along with members of the AFL-CIO and the public. It is on today's agenda in the House State Agencies and Governmental Affairs Committee. This bill would allow ADEQ to access employer lists to gather required information to satisfy the federal EPA.

TOBACCO TAX

HB 1204 by Rep. Gregg Reep and Sen. Tracy Steele is on today's House Rules Committee agenda and is expected to be considered. This is the proposal to increase the taxes on tobacco to fund a hospital trauma system and other health care initiatives. The State Chamber/AIA favors the development of a hospital trauma system and has no position on HB 1204.

New bills added to State Chamber/AIA tracking today:

<u>HB 1344</u>	<u>Lovell</u>	Prohibits county equalization boards from adjusting any property assessment other than the assessment made during the year the board meets to consider the application for adjustment.
<u>HB 1345</u>	<u>Lovell</u>	Requires personal property assessment based on the value at the date of acquisition, rather than January 1 of the year of the assessment, if the date of acquisition is between January 2 and May 31.

<u>HB 1346</u>	<u>Lovell</u>	Deletes the requirement for original valuations of newly acquired personal property in assessment year 2010 and after.
<u>HB 1358</u>	<u>Sample</u>	Exempts natural gas purchased for personal domestic use from state gross receipts taxes; levies a 4% excise tax on those purchases, but provides for a reduction of 1% when general revenue from gross receipts taxes exceeds \$150 million.
<u>HB 1360</u>	<u>Sample</u>	Exempts Teen Challenge of Arkansas, Inc. from payment of sales and use tax on its purchases of tangible personal property or service.
<u>SB 300</u>	<u>Whitaker</u> <u>Breedlove</u>	Repeals requirement that the Arkansas State Police weigh vehicles hauling coal.

PACKAGING MATERIALS EXEMPTION

HB 1084 by Rep. Lindsley Smith would limit the use of the “sale for resale” exemption for packaging materials sold to a manufacturer, to packaging made of biodegradable or recyclable materials. The State Chamber/AIA is opposed to this bill.

YESTERDAY AT THE CAPITOL

WORKERS’ COMPENSATION

We received a copy of the agreed bill yesterday and everything appears in order. We will visit with labor today to see if they have any corrections. Then, once we are both satisfied with the bill language, we will ask the sponsor to file the bill.

We confirmed yesterday that the Highway Department was not involved in the filing of **HB 1187** by Rep. Garry Smith. This bill would allow full workers’ compensation benefits for job injuries to persons retired under the State Highway Employees’ Retirement System, in addition to retirement benefits. This bill was filed as a retirement bill, which is not the proper filing. We expect the sponsor to file a new bill that will be a workers’ compensation bill. We object to the elimination of the offset of workers’ comp and retirement benefits and fear it would require all such offsets to be eliminated. In accordance with our agreement with labor, we will jointly oppose this bill and the new bill.

The expected amendment to **HB 1266** by Rep. Garry Smith has not yet been filed. This bill would eliminate the workers’ comp offset for police officers killed or injured in the line of duty. However, this was not Rep. Smith’s intent; he said the provision causing our concern was added by legislative drafting. We are hopeful the amendment will remove the offset provision from the bill. If it does not, then we will jointly oppose the bill with labor in accordance with our agreement.

HB 1314 by Rep. Tommy Baker would authorize municipalities with populations of more than 80,000 in 2000 federal decennial census to provide workers’ compensation coverage for employees and officials. This bill is not troubling, but is outside of our agreement with labor. We are hopeful the Municipal League will agree to hold the bill until 2011 and we will work to get it included in an agreement with labor.

Labor leaders advised us yesterday that they were working with Sen. Joyce Elliott to halt **SB 237**. This is a retirement bill which provides that police officers and firefighters with certain diseases will be presumed to have been injured in the line of duty for disability retirement benefits. Per our agreement with labor, this bill will be opposed by the State Chamber/AIA and the AFL-CIO if it is not withdrawn.

HIGHWAYS

SB 104 by Sen. Bobby Glover passed the Senate on a 35 to 0 vote yesterday and has been assigned to the House Transportation Committee. This bill would allow the State Highway Commission's window of time to issue bonds for interstate improvement from the end of 2013 to the end of 2015.

Tuesday, February 03, 2009
23rd Day of the 87th General Assembly

To date, the House has filed 342 bills and the Senate has filed 296 bills.
The State Chamber/AIA is tracking 138 bills and resolutions.

PACKAGING MATERIALS EXEMPTION

HB 1084 by Rep. Lindsley Smith would limit the use of the “sale for resale” exemption for packaging materials sold to a manufacturer, to packaging made of biodegradable or recyclable materials. The State Chamber/AIA is opposed to this bill, which remains on the deferred list of this morning’s House Revenue and Taxation Committee agenda. Thanks to the members that have provided information that we have forwarded to DFA about this bill. If others have information about the cost to your business if this bill were to pass, please send that information to us as soon as possible.

New bills added to State Chamber/AIA tracking today:

- | | | |
|----------------|--------------------------------------|--|
| <u>HB 1284</u> | <u>Smith, L.</u> | Amends definitions regarding the tax exemption for manufacturing machinery equipment repairs and partial replacements. |
| <u>HB 1314</u> | <u>Baker, T.</u> | Increases the population threshold by which cities are deemed eligible to provide workers compensation coverage through private carriers or by self funding from 70,000 to 80,000. |
| <u>HB 1316</u> | <u>Baker, T.</u> | Makes houses, cabins, bed and breakfasts, and campgrounds subject to the municipal gross receipts tax on rental accommodations (hotel, motel tax). |
| <u>HB 1317</u> | <u>Baker, T.</u> | Removes the requirement that a first class city must have a city park of 1,000 or more acres to levy the additional 1% local tax (hotel, motel, hamburger tax) and authorizes cities of the second class and incorporated towns to levy the tax. |
| <u>HB 1318</u> | <u>Nix</u> | Establishes standards for drivers employed by contract carriers and for the vehicles used by the contract carriers for transporting railroad employees. |
| <u>HB 1323</u> | <u>Garner</u> | Requires taxpayers who pay ad valorem taxes in installment payments to pay the entire amount of any fire protection district annual assessments owed with the first installment payment of the ad valorem taxes. |
| <u>HB 1326</u> | <u>Smith, L.</u> | Gives the State Claims Commission jurisdiction over claims for attorney's fees and other expenses incurred by plaintiffs who prevail in actions under the Freedom of Information Act. |
| <u>HB 1328</u> | <u>Adcock</u>
<u>Pritchard</u> | Increases the exemption from sales tax on purchases of low-cost vehicles from \$2500 to \$5000. |
| <u>HB 1339</u> | <u>Davenport</u>
<u>Smith, T.</u> | Amends election law to adopt the Agreement Among the State to Elect the President by Nationwide Popular Vote. |
| <u>HB 1340</u> | <u>Moore</u> | Authorizes cities of the first class, cities of the second class and incorporated towns to receive surplus campaign funds from candidates for public office. |
| <u>HB 1341</u> | <u>Moore</u> | Increases the amount municipalities may fine violators from \$500 to \$1,000 and increases the amount for continuance of the violation |

SB 295

Jeffress, J.

from \$250 per day to \$500 per day.

Removes specific dates and ages related to compulsory public school attendance in § 6-18-201(a)(1), substituting a reference to the date established in § 6-18-207 (Minimum age for enrollment in public school).

ISSUES

SB 33 by Sen. Robert Thompson would remove the prohibition against citing unpublished decisions of the Court of Appeals as precedent. Senator Thompson presented this bill in the Senate Judiciary Committee last Wednesday but did not ask for a vote. He wanted to give the committee time to consider the bill and he will likely bring it back up when the committee meets again tomorrow morning.

SB 33 would only affect un-published opinions on a going forward basis. He described the issue as having been studied and recommended by the Supreme Court's Civil Practice Committee. Later the Court of Appeals judges voted against the proposal and then the Supreme Court justices voted against the proposal on a 4 to 3 vote. Passage of the bill would raise some constitutional issues according to Thompson.

If the bill allows un-published opinions to continue but gives them precedential value then we are concerned. If the bill only eliminates un-published opinions then we have no concern.

HB 1279 by Rep. Keith Ingram is a bill that was presented by ADEQ to the ESD Advisory Council. The State Chamber/AIA agrees with this bill as did the ESD Advisory Council on which members of the State Chamber/AIA Unemployment Insurance Committee sit along with members of the AFL-CIO and the public. It is on Wednesday's agenda in the House State Agencies and Governmental Affairs Committee.

YESTERDAY AT THE CAPITOL

LOTTERY & TOBACCO TAX

State Rep. Steve Harrelson reported on his blog (www.underthedome.com) that the tobacco tax may be considered later this week by the House and that House members were expecting a briefing later this week on the leadership's lottery proposal. The Arkansas Democrat-Gazette (www.arkansasonline.com) and the Arkansas News Bureau (www.arkansasnews.com) had lengthy stories about the lottery options yesterday.

WORKERS' COMPENSATION

We continue to wait on Legislative Council to complete a bill that contains the agreement negotiated between the State Chamber/AIA and the AFL-CIO.

We played phone tag with the Highway Department yesterday trying to discuss possible amendments to **HB 1187** by Rep. Garry Smith. This bill would allow full workers' compensation benefits for job injuries to persons retired under the State Highway Employees' Retirement System, in addition to retirement benefits. We object to the elimination of the offset of workers' comp and retirement benefits and fear it would require all such offsets to be eliminated. This bill would also fall outside of our agreement with labor.

Nothing new to report on **HB 1266** by Rep. Garry Smith. This bill would eliminate the workers' comp offset for police officers killed or injured in the line of duty. However, this was not Rep. Smith's intent; he said the provision causing our concern was added by legislative drafting. He has an amendment being drawn and we hope to remove the offset provision from the bill.

We learned nothing new yesterday about **SB 237** by Sen. Joyce Elliott, which is another retirement bill that provides that police officers and firefighters with certain diseases will be presumed to have been injured in the line of duty for disability retirement benefits. Two years ago one of labor's issues raised in our negotiations was a desire to have certain diseases presumed to have been caused in the line of duty for firefighters and maybe police officers.

Monday, February 02, 2009
22nd Day of the 87th General Assembly

To date, the House has filed 282 bills and the Senate has filed 267 bills.
The State Chamber/AIA is tracking 126 bills and resolutions

WORKERS' COMPENSATION

We are waiting on the Legislative Council to complete a bill that contains the agreement negotiated between the State Chamber/AIA and the AFL-CIO.

We have left a message with the Highway Department to discuss possible amendments to **HB 1187** by Rep. Garry Smith. This bill would allow full workers' compensation benefits for job injuries to persons retired under the State Highway Employees' Retirement System, in addition to retirement benefits. We object to the elimination of the offset of workers' comp and retirement benefits and fear it would require all such offsets to be eliminated. This bill would also fall outside of our agreement with labor.

We visited with Rep. Garry Smith on Friday about **HB 1266**. Our fear was correct that it would eliminate the workers' comp offset for police officers killed or injured in the line of duty. However, this was not Rep. Smith's intent; he said the provision causing our concern was added by legislative drafting. He has an amendment being drawn and we hope to remove the offset provision from the bill.

We have not obtained any additional information about **SB 237** by Sen. Joyce Elliott, which is another retirement bill that provides that police officers and firefighters with certain diseases will be presumed to have been injured in the line of duty for disability retirement benefits. Two years ago, one of labor's issues raised in our negotiations was a desire to have certain diseases presumed to have been caused in the line of duty for firefighters and maybe police officers.

New bills added to State Chamber/AIA tracking today:

<u>HB 1278</u>	<u>Ragland</u>	To authorize the Public Service Commission to implement and monitor public utility programs and measures that conserve energy. (incomplete bill)
<u>HB 1279</u>	<u>Ingram</u>	Authorizes the Workforce Services Department to disclose certain information about employers that are classified in the Standard Industrial Classification Code to the Environmental Quality Department.
<u>HB 1281</u>	<u>Carter</u>	To require persons receiving benefits through the Department of Human Services to undergo drug testing on a random selection basis. (incomplete bill)
<u>SB 267</u>	<u>Bryles</u> <u>Baker, T.</u>	Authorizes counties to set a later effective date for county sales taxes, allowing a delay of up to 36 months if the delayed effective date is indicated on the ordinance levying the tax and on the ballot.

ISSUES

HB 1279 by Rep. Keith Ingram is a bill that was presented by ADEQ to the ESD Advisory Council. The State Chamber/AIA agrees with this bill as did the ESD Advisory Council on which members of the State Chamber/AIA Unemployment Insurance Committee sit along with members of the AFL-CIO and the public.

PACKAGING MATERIALS EXEMPTION

HB 1084 by Rep. Lindsley Smith would limit the use of the “sale for resale” exemption for packaging materials sold to a manufacturer, to packaging made of biodegradable or recyclable materials. The State Chamber/AIA is opposed to this bill. Thanks to the members that have provided information that we have forwarded to DFA about this bill. If others have information about the cost to your business if this bill were to pass, please send that information to us as soon as possible.

SB 33 by Sen. Robert Thompson would remove the prohibition against citing unpublished decisions of the Court of Appeals as precedent. Senator Thompson presented this bill in the Senate Judiciary Committee last Wednesday but did not ask for a vote. He wanted to give the committee time to consider the bill and he will likely bring it back up when the committee meets again this Wednesday.

SB 33 would only affect un-published opinions on a going forward basis. He described the issue as having been studied and recommended by the Supreme Court’s Civil Practice Committee. Later the Court of Appeals judges voted against the proposal and then the Supreme Court justices voted against the proposal on a 4 to 3 vote. Passage of the bill would raise some constitutional issues according to Thompson.

If the bill allows un-published opinions to continue but gives them precedential value then we are concerned. If the bill only eliminates un-published opinions then we have no concern.

Friday, January 30, 2009
13th Day of the 87th General Assembly

**To date, the House has filed 276 bills and the Senate has filed 266 bills.
The State Chamber/AIA is tracking 122 bills and resolutions.**

YESTERDAY AT THE CAPITOL

Taxes

One of the priority issues of the State Chamber/AIA is to pass a sales tax exemption for manufacturers' utility costs. Currently, we are holding off on pushing this issue while the legislature deals with the funding options for the trauma system and other healthcare-related issues. Our tax committee has also recommended some other issues for potential legislation. We have met with potential legislative sponsors and leaders of the Department of Finance and Administration to discuss these other issues. We will continue working on these issues while the legislature works on the healthcare funding issue.

WORKERS' COMPENSATION

We received a call from Legislative Council advising that they were about finished with the agreed bill that was negotiated between the State Chamber/AIA and the AFL-CIO. Hopefully this bill will be filed very soon.

Meanwhile, we have become concerned about workers' compensation issues showing up in public retirement bills. We wrote yesterday about **HB 1187** by Rep. Garry Smith, which would allow full workers' compensation benefits for job injuries to persons retired under the State Highway Employees' Retirement System, in addition to retirement benefits.

Now we find **HB 1266** also by Rep. Garry Smith. It appears to eliminate the workers' comp offset for police officers killed or injured in the line of duty.

Of even greater concern is **SB 237** by Sen. Joyce Elliott. This is a retirement bill that provides that police officers and firefighters with certain diseases will be presumed to have been injured in the line of duty for disability retirement benefits. Two years ago, one of labor's issues raised in our negotiations was a desire to have certain diseases presumed to have been caused in the line of duty for firefighters and maybe police officers.

New bills added to State Chamber/AIA tracking today:

- | | | |
|----------------|----------------------|--|
| <u>HB 1262</u> | <u>Smith, L.</u> | Adds to the authority local political subdivisions have regarding the placement of traffic control devices on streets and highways, and adds to the requirements for those devices when they are placed on highways that are part of the state highway system. |
| <u>HB 1264</u> | <u>Webb Broadway</u> | Exempts the Keep Arkansas Beautiful and Keep America Beautiful organizations from landfill fees during those organizations' annual campaigns. |
| <u>HB 1266</u> | <u>Smith, G.</u> | Creates the Police Officer Death Benefits Trust Fund and provides for the deposit of \$1.00 additional assessment on citations issued by police officers; specifies eligibility requirements for payments to children of police officers. |
| <u>HB 1275</u> | <u>Burris, J.</u> | Amends the minimum wage law, removing obsolete reference to the |

employer's maximum allowance of 30 cents per hour worked for board, lodging, apparel or other items regularly furnished to employees.

SB 237 Elliott Requires the Police and Fire Retirement System and local pension plans to consider police officers and firefighters with certain diseases as injured in the line of duty for purposes of disability retirement benefits. (Incomplete bill)

SB 255 Teague Amends the definition of motor vehicles in the New Motor Vehicle Quality Assurance Act, increasing the maximum weight for that definition from 10,000 pounds to 19,000 pounds.

PACKAGING MATERIALS EXEMPTION

HB 1084 by Rep. Lindsley Smith would limit the use of the sale for resale exemption for packaging materials sold to a manufacturer, to packaging made of biodegradable or recyclable materials. The State Chamber/AIA is opposed to this bill. DFA has not heard from any of our members like we had hoped. If you have information about the cost to your business if this bill were to pass, please send that information to us as soon as possible.

SB 33 by Sen. Robert Thompson would remove the prohibition against citing unpublished decisions of the Court of Appeals as precedent. Senator Thompson presented this bill in the Senate Judiciary Committee Wednesday morning but did not ask for a vote. He wanted to give the committee time to consider the bill and he will likely bring it back up when the committee meets again next Wednesday, February 4.

SB 33 would only affect un-published opinions on a going forward basis. He described the issue as having been studied and recommended by the Supreme Court's Civil Practice Committee. Later the Court of Appeals judges voted against the proposal and then the Supreme Court justices voted against the proposal on a 4 to 3 vote. Passage of the bill would raise some constitutional issues according to Thompson.

If the bill allows un-published opinions to continue but gives them precedential value then we are concerned. If the bill only eliminates un-published opinions then we have no concern.

Thursday, January 29, 2009
12th Day of the 87th General Assembly

**To date, the House has filed 268 bills and the Senate has filed 254 bills.
The State Chamber/AIA is tracking 117 bills and resolutions.**

YESTERDAY AT THE CAPITOL

SB 77 by Sen. Sue Madison and Rep. Pam Adcock passed the House by a vote of 88-9 yesterday. The bill will now go to the Governor's desk for his signature. It will make aggravated cruelty to cats, dogs and horses a Class D felony on the first offense. When the bill becomes law, offenders will face a fine of up to \$10,000 and up to six years in prison. The bill also has an enhanced penalty for those who torture animals in the presence of a child. Only certified law enforcement will be allowed to make arrests in animal cruelty cases. SB 77 specifically exempts animal husbandry and other accepted practices.

SB 33 by Sen. Robert Thompson would remove the prohibition against citing unpublished decisions of the Court of Appeals as precedent. Senator Thompson presented this bill in the Senate Judiciary Committee yesterday morning, but did not ask for a vote. He wanted to give the Committee time to consider the bill. He will likely bring it back up when the Committee meets again next Wednesday.

SB 33 would only affect un-published opinions on a going-forward basis. He described the issue as having been studied and recommended by the Supreme Court's Civil Practice Committee. Later, the Court of Appeals judges voted against the proposal and then the Supreme Court justices voted against the proposal on a 4 to 3 vote. Thompson said the Bar Association and the Trial Lawyers Association have no objections to the bill. He also said the proposal was submitted for public comment and all types of attorneys made comments to the Supreme Court's Civil Practice Committee. Passage of the bill would raise some constitutional issues according to Thompson.

If the bill allows un-published opinions to continue but gives them precedential value, then we are concerned. If the bill only eliminates un-published opinions, then we have no concern.

PACKAGING MATERIALS EXEMPTION

HB 1084 by Rep. Lindsley Smith is on this morning's House Revenue & Taxation Committee agenda. It would limit the use of the sale for resale exemption for packaging materials sold to a manufacturer, to packaging made of biodegradable or recyclable materials. The State Chamber/AIA is opposed to this bill. We are beginning to hear from some of our members about some significant cost implications.

WORKERS' COMPENSATION

We spoke with Rep. Garry Smith about **HB 1187**, which would allow full workers' compensation benefits for job injuries to persons retired under the State Highway Employees' Retirement System, in addition to retirement benefits. We explained our concerns about the cost of eliminating the offset provisions of workers' compensation claims and that we had an agreement between management and labor that would require the State Chamber/AIA and the AFL-CIO to jointly oppose all workers' compensation bills that are not part of the agreement. Rep. Smith understood and appreciated our comments on this bill that he filed to represent the desires of a constituent.

New bills added to State Chamber/AIA tracking today:

<u>HB 1244</u>	<u>Joint Budget</u>	Appropriates funds to the Department of Workforce Services for 2009-10 operations.
<u>HB 1251</u>	<u>Breedlove</u>	Changes the tuition assistance available for out-of-state professional education from a grant to a loan program that requires repayment, but offers loan forgiveness in return for maintaining a practice in Arkansas for at least five years.
<u>SB 216</u>	<u>Altes</u> <u>Glidewell</u>	Makes persons receiving certain public assistance subject to drug testing on a random selection basis, with individuals failing a drug test to complete a one-year drug treatment program or lose the assistance benefits.

Wednesday, January 28, 2009
11th Day of the 87th General Assembly

**To date, the House has filed 256 bills and the Senate has filed 252 bills.
The State Chamber/AIA is tracking 114 bills and resolutions.**

ANIMAL CRUELTY

SB 77 by Sen. Sue Madison and Rep. Pam Adcock received a Do Pass from the House Judiciary Committee yesterday morning. It is on today's House Calendar for consideration by the entire House where 51 members are co-sponsors. This bill, prepared by Attorney General Dustin McDaniel, would make aggravated cruelty to cats, dogs and horses a felony on first offense. The State Chamber/AIA joins the Arkansas Farm Bureau, The Poultry Federation, The Cattlemen's Association, the Game & Fish Commission, the Humane Society of the United States, the Pulaski County Humane Society and many others in supporting this compromise bill.

WORKERS' COMPENSATION

Progress was made yesterday in getting the legislative sponsors for the negotiated agreement between the State Chamber/AIA and the AFL-CIO. The agreement will go to legislative drafting today. The agreement contains four parts:

- 1) Clarifies (without making any changes) responsibility for permanent partial disability or permanent total disability claims made on or after January 1, 2008;
- 2) Provides the Contractors Licensing Board authority to revoke a certificate of license of any contractor licensed under Arkansas Code Annotated Section 17-25-308 for failure to maintain workers' compensation coverage;
- 3) authorizes the Commission to move permanent total disability claims currently in the second injury fund to the Death and Permanent Total Disability Trust Fund and authorizes such claims occurring on or after January 1, 2010 to also be paid by the Death and Permanent Total Trust Fund after the employer's responsibility is complete, and
- 4) Cancels the offset provisions for benefits an employee receives from a group policy for disability if the injured worker has paid for the policy.

Meanwhile Rep. Garry Smith has filed **HB 1187**, which would allow full workers' compensation benefits for job injuries to persons retired under the State Highway Employees' Retirement System, in addition to retirement benefits. Part of the agreement between management and labor is that the State Chamber/AIA and the AFL-CIO will jointly oppose all other workers' compensation bills.

SB 33 by Sen. Robert Thompson would remove the prohibition against citing unpublished decisions of the Court of Appeals as precedent. It is on this morning's Senate Judiciary Committee agenda. **SB 33** is a bill we are studying very closely.

HEALTH CARE FUNDING

HB 1204 by Rep. Gregg Reep was filed Monday. It would levy an additional tax on cigarettes of \$28 per thousand cigarettes sold and an additional tax on other tobacco products and soft snuff of 19 percent of the manufacturer's selling price. Yesterday **HB 1238** was filed by Rep. Ed Garner and Sen. Gilbert Baker. It would earmark revenue raised by existing insurance premium taxes to fund the proposed hospital trauma system. These bills have been the subject of much back room discussion and will now take center stage in what is currently one of two top issues active in the session, the other issue being legislation to implement the state lottery. The State Chamber/AIA does not support the use of insurance premium taxes to fund the trauma system and has no position on the tobacco tax proposal.

New bills added to State Chamber/AIA tracking today:

<u>HB 1232</u>	<u>Overbey</u> <u>Horn</u>	Provides long-term care quality assurance committee members immunity from civil action for acts taken within the scope of the committee without malice or fraud; provides that committee proceedings are confidential.
<u>HB 1238</u>	<u>Garner</u> <u>Baker, G.</u>	Creates the Trauma System Trust Fund; authorizes the Health Department to make rules for allocation of the funds; and provides funding of the Trust Fund by increasing various fines and earmarking 12% of premium taxes collected.
<u>HB 1245</u> <u>HB 1250</u>	<u>English</u> <u>Abernathy</u> <u>Jeffress, J.</u>	Exempts military retirement pay from Arkansas income tax. Requires the House and Senate Committees on Education, prior to each fiscal legislative session, to review the recommendations for education adequacy and recommend findings and amendments to the adequacy evaluation report.
<u>HB 1254</u>	<u>Woods</u>	Provides an income tax credit to taxpayers donating postnatal tissue and fluid to the Newborn Umbilical Cord Blood Bank.
<u>SB 157</u>	<u>Pritchard</u> <u>Stewart</u>	Exempts military retirement income and pension from state income tax.
<u>SB 249</u>	<u>Teague</u> <u>Stewart</u>	Provides a reprieve and grace period from consolidation for school districts falling beneath minimum student requirement if the school has at least 350 students on Oct. 1 of the year the consolidation list is published.

PACKAGING MATERIALS EXEMPTION

HB 1084 by Rep. Lindsley Smith remains on the House Revenue & Taxation Committee agenda. It would limit the use of the sale for resale exemption for packaging materials sold to a manufacturer, to packaging made of biodegradable or recyclable materials. The State Chamber/AIA is opposed to this bill. We are beginning to hear from some of our members about some significant cost implications.

Tuesday, January 27, 2009
10th Day of the 87th General Assembly

STATE CHAMBER/AIA BILL TRACKING

To date, the House has filed 235 bills and the Senate has filed 243 bills.
The State Chamber/AIA is tracking 107 bills and resolutions.

PACKAGING MATERIALS EXEMPTION

HB 1084 by Rep. Lindsley Smith would limit the use of the sale for resale exemption for packaging materials sold to a manufacturer, to packaging made of biodegradable or recyclable materials. The State Chamber/AIA is opposed to this bill and encourages all members who use this exemption to review the bill and your use of packaging materials. You should also let your legislators know your opinion about the bill. HB 1084 is on the House Revenue and Tax Committee's agenda. The committee meets this morning but the bill cannot be considered until the Department of Finance and Administration completes a revenue impact statement, which could be very soon.

ANIMAL CRUELTY

SB 77 by Sen. Sue Madison and Rep. Pam Adcock is scheduled for a special order of business in the House Judiciary Committee this morning. A majority of committee members and 51 House members are co-sponsors of the legislation which would make aggravated cruelty to cats, dogs and horses a felony on first offense. This bill was brokered by Attorney General Dustin McDaniel, who worked many months to bring together opposing groups. The State Chamber/AIA joins the Arkansas Farm Bureau, The Poultry Federation, The Cattlemen's Association, the Game & Fish Commission, the Humane Society of the United States, the Pulaski County Humane Society and many others in supporting this bill.

WORKERS' COMPENSATION

The negotiated agreement between the State Chamber/AIA and the AFL-CIO was executed last week and copies of the joint statement were provided to all members of the General Assembly, the State Chamber/AIA Workers' Compensation Committee and State Chamber and AIA Board of Directors. We will work with labor this week to select sponsors and have a bill drafted. The agreement contains four parts: 1) clarifies (without making any changes) responsibility for permanent partial disability or permanent total disability claims made on or after January 1, 2008; 2) provides the Contractors Licensing Board authority to revoke a certificate of license of any contractor licensed under Arkansas Code Annotated Section 17-25-308 for failure to maintain workers' compensation coverage; 3) authorizes the commission to move permanent total disability claims currently in the second injury fund to the Death and Permanent Total Disability Trust Fund and authorizes such claims occurring on or after January 1, 2010 to also be paid by the Death and Permanent Total Trust Fund after the employers responsibility is complete, and 4) cancels the offset provisions for benefits an employee receives from a group policy for disability if the injured workers has paid for the policy.

ISSUES

Tobacco Tax for Health Care

HB 1204 by Rep. Gregg Reep was filed yesterday. It has been the topic of much discussion in the back rooms at the Capitol. This bill is one of the options under consideration to provide funding for the proposed statewide trauma system, UAMS satellite campus and other statewide health care initiatives and needs. There are other funding proposals floating around the halls.

New bills added to State Chamber/AIA tracking today:

<u>HB 1187</u>	<u>Smith, G.</u>	Allows full workers' compensation benefits for job injuries to persons retired under the State Highway Employees' Retirement System, in addition to retirement benefits.
<u>HB 1204</u>	<u>Reep Steele</u>	Levies an additional tax on cigarettes of \$28 per thousand; levies an additional tax on other tobacco products and soft snuff of \$19 percent of manufacturer's selling price.
<u>HB 1213</u>	<u>Patterson</u>	Amends various provisions of the Residential Landlord-Tenant Act of 2007, changing references to warrant of ejectment to writ of possession, removing references to deputies and constables, and substituting district courts for circuit.
<u>HB 1225</u>	<u>Cooper</u>	Increases the time period for the sales tax exemption that applies to the net difference between the sale price of a used car and that of a new car, from 45 to 90 days.
<u>SB 208</u>	<u>Bookout</u>	Expands the approved methods by which eligible telecommunications carriers may provide universal services to include commercial mobile services and voice over internet protocol.
<u>SB 218</u>	<u>Altes</u>	Exempts the cash surrender value of life insurance policies from the claims of creditors.
<u>SB 220</u>	<u>Laverty</u>	Revises the calculation for distribution of the premium tax to local jurisdictions. (Incomplete bill).
<u>SB 221</u>	<u>Laverty</u>	Increases the insurance premium tax. (Incomplete bill)
<u>SB 223</u>	<u>Laverty</u>	Exempts from sales and use tax binder twine and other supplies used by farmers to bale hay.

ISSUES

SB 33 by Sen. Robert Thompson would remove the prohibition against citing unpublished decisions of the Court of Appeals as precedent. It is on tomorrow morning's Senate Judiciary Committee agenda. SB 33 is a bill we are studying very closely.

Monday, January 26, 2009
9th Day of the 87th General Assembly

ISSUES

WORKERS' COMPENSATION

The negotiated agreement between the State Chamber/AIA and the AFL-CIO was executed last week and copies of the joint statement were provided to all members of the General Assembly, the State Chamber/AIA Workers' Compensation Committee and State Chamber and AIA Board of Directors. We will work with labor this week to select sponsors and have a bill drafted. The agreement contains four parts: 1) clarifies (without making any changes) responsibility for permanent partial disability or permanent total disability claims made on or after January 1, 2008; 2) provides the Contractors Licensing Board authority to revoke a certificate of license of any contractor licensed under Arkansas Code Annotated Section 17-25-308 for failure to maintain workers' compensation coverage; 3) authorizes the Commission to move permanent total disability claims currently in the second injury fund to the Death and Permanent Total Disability Trust Fund and authorizes such claims occurring on or after January 1, 2010 to also be paid by the Death and Permanent Total Trust Fund after the employers responsibility is complete, and 4) cancels the offset provisions for benefits an employee receives from a group policy for disability if the injured worker has paid for the policy.

STATE CHAMBER/AIA BILL TRACKING

To date, the House has filed 186 bills and the Senate has filed 153 bills.
The State Chamber/AIA is tracking 98 bills and resolutions.

New bills added to State Chamber/AIA tracking today:

<u>HB 1164</u>	<u>Stewart</u>	Increases the income tax exemption for retirement and disability benefits from \$6,000 to \$10,000 and provides for an annual cost of living adjustment.
<u>HB 1165</u>	<u>Stewart</u>	Increases the income tax exemption for retirement and disability benefits from \$6,000 to \$8,000 and provides for an annual cost of living adjustment.
<u>HB 1170</u>	<u>Lowery</u> <u>Trusty</u>	Excepts producers of natural gas from the required report of severed natural resources within 25 days of the end of each month, allowing them to file the report by the 25th day of the second month following the month covered by the report.
<u>HB 1172</u>	<u>Green</u>	Provides an income tax credit to businesses for purchase of a receptacle or urn specifically designed for disposal of cigarette litter.
<u>HB 1178</u>	<u>Dismang</u>	Excludes from pipeline companies the power of eminent domain for purposes of acquiring a right of way or easement for construction or operation of a gathering line.
<u>HB 1179</u>	<u>Burris, J.</u>	Changes the sourcing of sales for purposes of sales and use taxes to the retail seller's business location, exempting from taxation sales that are shipped to a location outside the state, until the federal streamlined sales tax laws are in effect.
<u>HJR1002</u>	<u>Ragland</u>	Proposes a constitutional amendment to abolish the office of

Constable.

ISSUES

PACKAGING MATERIALS EXEMPTION

HB 1084 by Rep. Lindsley Smith would limit the use of the sale for resale exemption for packaging materials sold to a manufacturer, to packaging made of biodegradable or recyclable materials. The State Chamber/AIA is opposed to this bill and encourages all members who use this exemption to review the bill and your use of packaging materials. You should also let your legislators know your opinion about the bill. HB 1084 is on the House Revenue and Tax Committee's agenda. The committee meets tomorrow but the bill cannot be considered until the Department of Finance and Administration completes a revenue impact statement, which could be very soon.

ANIMAL CRUELTY

SB 77 by Sen. Sue Madison and Rep. Pam Adcock is scheduled for a special order of business in the House Judiciary Committee tomorrow morning. A majority of committee members and 51 House members are co-sponsors of the legislation which would make aggravated cruelty to cats, dogs and horses a Class D felony on the first offense. When the bill becomes law, offenders will face a fine of up to \$10,000 and up to six years in prison. The bill also has an enhanced penalty for those who torture animals in the presence of a child. Only certified law enforcement will be allowed to make arrests in animal cruelty cases. SB 77 specifically exempts animal husbandry and other accepted practices.

Friday, January 23, 2009
8th Day of the 87th General Assembly

YESTERDAY AT THE CAPITOL

SB 77 by Sen. Sue Madison and Rep. Pam Adcock passed the Senate without opposition yesterday. It will next be considered by the House Judiciary Committee, where Chairman Rep. Steve Harrelson has set its consideration as a special order of business next Tuesday. The proposal would make aggravated cruelty to cats, dogs and horses a felony on first offense. This bill was brokered by Attorney General Dustin McDaniel, who worked many months to bring together opposing groups. The State Chamber/AIA joins the Arkansas Farm Bureau, The Poultry Federation, The Cattlemen's Association, the Game & Fish Commission, the Humane Society of the United States, the Pulaski County Humane Society and many others in supporting this bill.

ISSUES

WORKERS' COMPENSATION

The negotiated agreement between the State Chamber/AIA and the AFL-CIO was executed yesterday and copies of the joint statement, signed by Alan Hughes, President of the AFL-CIO, and Kenny Hall, Executive Vice-President of the State Chamber/AIA, were provided to all members of the General Assembly. The agreement contains four parts: 1) clarifies (without making any changes) responsibility for permanent partial disability or permanent total disability claims made on or after January 1, 2008; 2) provides the Contractors Licensing Board authority to revoke a certificate of license of any contractor licensed under Arkansas Code Annotated Section 17-25-308 for failure to maintain workers' compensation coverage; 3) authorizes the commission to move permanent total disability claims currently in the second injury fund to the Death and Permanent Total Disability Trust Fund and authorizes such claims occurring on or after January 1, 2010 to also be paid by the Death and Permanent Total Trust Fund after the employers' responsibility is complete, and 4) cancels the offset provisions for benefits an employee receives from a group policy for disability if the injured worker has paid for the policy.

STATE CHAMBER/AIA BILL TRACKING

To date, the House has filed 162 bills and the Senate has filed 141 bills.
The State Chamber/AIA is tracking 91 bills and resolutions.

New bills added to State Chamber/AIA tracking today:

<u>HB 1161</u>	<u>Smith, L.</u> <u>Johnson, D.</u>	Creates the offense of fraudulent filing of a uniform commercial code financing statement, a Class A misdemeanor for the first offense, Class C felony for a subsequent offense and provides for civil causes of action.
<u>SB 124</u>	<u>Hendren</u>	Prohibits the use of open bed vehicles or trailers hauling sand, gravel or rock from using paved public streets or highways unless the load is secured with a cover; deletes provision for use of open beds with six inches of freeboard around the load.
<u>SB 125</u>	<u>Hendren</u>	Provides detailed procedure to be used by the Department of Finance and Administration in managing the vehicle insurance database for purposes of revocation and reinstatement of vehicle

<u>SB 126</u>	<u>Johnson, D.</u>	registrations for noncompliance with insurance requirements. Requires that credit be allowed for sales or use taxes paid to other states on purchases of motor vehicles and semitrailers that are bought elsewhere but first registered by the purchaser in Arkansas.
<u>SB 133</u>	<u>Smith, T.</u> <u>Patterson</u>	Revises various provisions of the Public Accountancy Act; Various Revisions)

ISSUES

PACKAGING MATERIALS EXEMPTION

HB 1084 by Rep. Lindsley Smith would limit the use of the sale for resale exemption for packaging materials sold to a manufacturer, to packaging made of biodegradable or recyclable materials. The State Chamber/AIA is opposed to this bill and encourages all members who use this exemption to review the bill and your use of packaging materials. You should also let your legislators know your opinion about the bill. HB 1084 is on the House Revenue and Tax Committee's agenda and will be considered as soon as the Department of Finance and Administration completes a revenue impact statement.

Thursday, January 22, 2009
7th Day of the 87th General Assembly

YESTERDAY AT THE CAPITOL

SB 77 by Sen. Sue Madison and Rep. Pam Adcock was given a do pass recommendation yesterday by the Senate Judiciary Committee. The proposal would make aggravated cruelty to cats, dogs and horses a felony on first offense. It will next be considered by the full Senate where 20 of the 35 members are co-sponsors. This bill was brokered by Attorney General Dustin McDaniel, who worked many months to bring together opposing groups. The State Chamber/AIA joins the Arkansas Farm Bureau, The Poultry Federation, The Cattlemen's Association, the Game & Fish Commission, the Humane Society of the United States, the Pulaski County Humane Society and many others in supporting this bill.

ISSUES

PACKAGING MATERIALS EXEMPTION

HB 1084 by Rep. Lindsley Smith would limit the use of the sale for resale exemption for packaging materials sold to a manufacturer, to packaging made of biodegradable or recyclable materials. If your business uses this current exemption, you should take a close look at this bill and your use of packaging materials. HB 1084 is on the House Revenue and Tax Committee's agenda.

WORKERS' COMPENSATION

The wording of the agreement between Labor and Management that we announced in yesterday's *Daily Update* was reviewed yesterday and we hope to have it signed today or tomorrow. As soon as the document is signed, a copy will be provided to all members of the legislature and a bill will be drafted that contains the content of the agreement.

STATE CHAMBER/AIA BILL TRACKING

To date the House has filed 150 bills and the Senate has filed 121 bills.
The State Chamber/AIA is tracking 86 bills and resolutions.

New bills added to State Chamber/AIA tracking today:

<u>HB 1145</u>	<u>Adcock</u>	Provides an exemption from sales tax for purchases of hearing instruments prescribed or recommended in writing by an audiologist, a medical doctor or a licensed hearing instrument dispenser.
<u>HB 1148</u>	<u>Hall</u>	Authorizes the Highway Commission to issue a special harvest permit for five-axle vehicles hauling agricultural and unprocessed forestry products that allows the vehicle to travel state highways with weight up to 5% over its authorized weight.
<u>HB 1150</u>	<u>Stewart</u>	Creates an exemption from sales tax for the sale of lawn care services to non-perpetual care cemeteries.
<u>SB 104</u>	<u>Glover</u>	Extends until December 31, 2015 the Highway Commission's authorization to issue grant anticipation revenue bonds under the Interstate Highway Financing Act of 2007.
<u>SB 112</u>	<u>Thompson</u>	Designates the office of the Attorney General as a law enforcement agency, requiring special investigators of that office to be certified law enforcement officers with statewide law enforcement jurisdiction and authority.

- SB 115 Glover Requires applicants to the Department of Environmental Quality for a permit to dispose of drilling fluids or other wastes associated with natural gas development to obtain approval of the local governing body of the proposed location.
- SB 120 Malone, P. Authorizes the State Board of Pharmacy to impose civil penalties against unlicensed persons practicing or providing goods requiring licensure; clarifies provisions applying to pharmacists and pharmacies related to practitioner-patient relationship and more
- SB 121 Thompson Increases the permit fees for sales of alcoholic beverages; provides for temporary issuance of temporary sales permits; sets requirements for a local Sunday sales referendum; repeals 3-9-4, regarding Sunday sales of alcoholic beverages.

Monday, January 21, 2009
6th Day of the 87th General Assembly

ISSUES

ANIMAL CRUELTY

SB 77 by Sen. Sue Madison and Rep. Pam Adcock is on the agenda to be considered as a special order of business in the Senate Judiciary committee this morning. SB 77 will make aggravated cruelty to a dog, cat or horse a Class D felony on the first offense. When the bill becomes law, offenders will face a fine of up to \$10,000 and up to six years in prison. The bill also has an enhanced penalty for those who torture animals in the presence of a child. Only certified law enforcement will be allowed to make arrests in animal cruelty cases. SB 77 specifically exempts animal husbandry and other accepted practices. One amendment is expected in the Senate committee.

WORKERS' COMPENSATION

The State Chamber/AIA began negotiations with the AFL-CIO last January on workers' compensation issues for this session. We are pleased to announce that an agreement was reached before the first of the year. The wording of the agreement is expected to be finalized this week. As soon as the document is signed, a copy will be provided to all members of the legislature and a bill will be drafted that contains the content of the agreement.

STATE CHAMBER/AIA BILL TRACKING

To date, the House has filed 131 bills and the Senate has filed 102 bills.
The State Chamber/AIA is tracking 78 bills and resolutions.

New bills added to State Chamber/AIA tracking today:

<u>HB 1036</u>	<u>Ingram</u>	Allows restaurants to sell liquor on Sunday if located in a city with a "large-attendance facility" that has pari-mutuel wagering and is authorized to sell liquor on Sunday.
<u>HB 1119</u>	<u>Kerr</u>	Prohibits minors from using cell phones or other wireless devices while driving, and requires drivers between the ages of 18 and 21 to use a hands-free device.
<u>HB 1131</u>	<u>Ragland</u> <u>Smith, T.</u>	Repeals the Energy Conservation Endorsement Act of 1977 (ACA 23-3-4); repeals the Arkansas Clean Energy Act (ACA 23-18-7).
<u>SB 17</u>	<u>Jeffress, J.</u>	Excludes bail bond agents compensated on a commission basis from the definition of "employment" under the Department of Workforce Services Law.
<u>SB 88</u>	<u>Glover</u>	Reduces the sales tax on food and food ingredients from 2.875% to 1.875%, effective July 1, 2009.
<u>SB 90</u>	<u>Wilkins, H.</u>	Levies a five percent excise tax on the sale of liquor and wine by a distributor or manufacturer to a retailer, with the proceeds divided among the Drug and Alcohol Prevention and Treatment Fund, domestic abuse services, and others.
<u>SB 94</u>	<u>Joint Budget</u>	Appropriates funds to the Workers Compensation Commission for operations.
<u>SB 95</u>	<u>Baker, G.</u>	Creates a sales tax exemption for sales to the Arkansas Floodplain Management Association.

SB 96

Baker, G.

Creates a sales tax exemption for sales to a nonprofit company that primarily provides global outreach and on-site technical support services for global mission projects.

ISSUES

HB 1084 by Rep. Lindsley Smith is a bill many businesses are concerned about. It would limit the use of the sale for resale exemption for packaging materials sold to a manufacturer, to packaging made of biodegradable or recyclable materials. If your business uses this current exemption, you should take a close look at this bill and your use of packaging materials. HB 1084 has been referred to the House Revenue and Tax Committee.

January 15th, 2009

To date, the House has filed 105 bills and the Senate has filed 86 bills.
The State Chamber/AIA is tracking 67 bills and resolutions.

ISSUES

ANIMAL CRUELTY

SB 77 was filed yesterday morning by Sen. Sue Madison and Rep. Pam Adcock. It was filed with 38 co-sponsors in the House and 20 co-sponsors in the Senate. The State Chamber/AIA joined a list of supporters of this bill and we attended a noon press conference hosted by Attorney General Dustin McDaniel, who announced that Governor Beebe had committed his support for the bill. The AG's office had worked for several months with a number of interest groups to craft this compromise bill. The other supporters include: The Poultry Federation, Arkansas Farm Bureau, Arkansas Pork Producers, Arkansas Game & Fish Commission, Arkansas Veterinary Medical Association, Arkansas Prosecuting Attorneys Association, Arkansas Sheriff's Association, Arkansas Association of Chiefs of Police, the Humane Society of the United States, No Chance Arkansas Rescue, All About Labs Rescue, Out of the Woods Rescue, Golden Retrievers Rescue, Pulaski County Humane Society, Saline County Humane Society, Last Chance Arkansas Rescue, Catfish Farmers of Arkansas, Rescue Wrangles and Feline Rescue and Rehome.

SB 77 will make aggravated cruelty to a dog, cat or horse a Class D felony on the first offense. When the bill becomes law, offenders will face a fine of up to \$10,000 and up to six years in prison. The bill also has an enhanced penalty for those who torture animals in the presence of a child. Only certified law enforcement will be allowed to make arrests in animal cruelty cases. SB 77 specifically exempts animal husbandry and other accepted practices.

The bill will run through the House and Senate Judiciary Committees where a majority of both committees are co-sponsors. One amendment is expected in the Senate committee. SB 77 is expected to be considered as a special order of business in the Senate Judiciary committee on Wednesday, January 21.

TECHINICAL UPDATE BILLS

Senator Sue Madison filed 17 bills today (**SB 60 through 76**) that make technical corrections to various code sections. We visited with Senator Madison last night about these bills and she informed us that she is involved in a legislative committee that reviews statutory language and these bills were the result of a series of reviews. She said the bills will not be rushed to consideration and encouraged a close review to make sure no unintended consequences would occur. We have added SB 64—workers' comp, SB 65—environment, SB 68—education, SB 69—utilitites, SB 73—taxes and SB 74—employment to our tracking and will ask our committees to review the bills carefully.

New bills added to State Chamber/AIA tracking today:

<u>HB 1100</u>	<u>Kerr</u>	Requires life insurance "illustrations" used to market life insurance policies be prepared by actuaries in good standing, include accurate representations of guaranteed values and be retained by the insurer after being signed by the applicant.
<u>SB 64</u>	<u>Madison</u>	Workers Compensation (Arkansas Code; Technical Changes and Corrections).
<u>SB 65</u>	<u>Madison</u>	Ecology/Pollution/Waste Management (Arkansas Code; Technical Changes and Corrections).

- SB 68 Madison Schools (Arkansas Code; Technical Changes and Corrections).
- SB 69 Madison Utilities (Arkansas Code; Technical Changes and Corrections).
- SB 73 Madison Taxation (Arkansas Code; Technical Changes and Corrections).
- SB 74 Madison Public Employees (Arkansas Code; Technical Changes and Corrections).
- SB 77 Madison Criminal Law (Animal Cruelty; Offense Created).
- Adcock
- SB 78 Wilkins, H. Public Safety (Seat Belts; Primary Law) - Law Enforcement.
- Allen
- SB 80 Johnson, D. Authorizes the use of facsimile transmission or electronic mail signatures for delivery Of written consent to corporations

January 14th, 2009

ISSUES

There were some interesting developments yesterday regarding the planned meeting of the **Joint Energy Committee** originally scheduled for this afternoon. The General Assembly website shows the meeting has been rescheduled and the agenda is blank. The Arkansas Legislative Digest service we use to track information about the session still lists the meeting, indicates it has been rescheduled but still contains the list of planned speakers participating in a “Minority Report from the Governor’s Commission on Global Warming.”

Arkansas Business reports that the meeting was rescheduled after House members initially planned on skipping the meeting. [Here](#) is a link to the Arkansas Business report.

The Arkansas News Bureau is reporting that an “unofficial” meeting will occur this afternoon following adjournment of the House and Senate because speakers from out of state are already in town. [Here](#) is a link to the Arkansas News Bureau report.

To date, the House has filed 99 bills and the Senate has filed 56 bills.
The State Chamber/AIA is tracking 57 bills and resolutions.

ISSUES

IMMIGRATION

HB 1093 by Rep. Bill Sample, R-Hot Springs, was filed yesterday. There is concern that the bill is very similar to an Oklahoma law adopted in 2007, which has been the target of a lawsuit supported by Oklahoma business interests. HB 1093 would make certain acts unlawful, authorize state agencies to issue identification documents to certain persons, require the determination of citizenship status for persons charged with certain offenses, require state agencies to participate in a status verification system, require state agencies to verify the lawful presence of persons applying for certain benefits, require withholding of state income tax under certain circumstances, limit benefits for postsecondary education, establish a fraudulent documents identification unit within the department of Arkansas State Police and provide guidelines for resident tuition. The State Chamber/AIA’s policy is that immigration is a federal issue and we encourage the business community to comply with all laws when hiring an employee which includes proper identification and compliance with appropriate anti-discrimination laws. All businesses with an interest in immigration laws should take a close look at this bill right away.

New bills added to State Chamber/AIA tracking today:

<u>HB 1093</u>	<u>Sample</u>	Requires government agencies, schools, other organizations and employers to issue their I.D. documents only to legal residents; prohibits illegal aliens from scholarships and in-state tuition; creates a Class D felony for harboring an illegal alien
<u>HB 1097</u>	<u>Stewart</u>	Allows persons with concealed handgun permits to possess a handgun on parking lots of public facilities and universities, provided the handgun remains secured in a motor vehicle.
<u>SB 53</u>	<u>Smith, T.</u>	Changes the four-year term of office for the Insurance Commissioner to coincide with the term of office of the Governor.

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

January 13th, 2009

New bills added to State Chamber/AIA tracking today:

<u>HB 1059</u>	<u>Pennartz</u>	Creates an income tax credit for 20% of up to the first \$2 million of rehabilitation expenses for central business improvement districts, limiting the total state expenditure in a fiscal year to \$20 million.
<u>HB 1060</u>	<u>Pennartz</u>	Creates an income tax credit for 20% of up to the first \$2 million of rehabilitation expenses for central business improvement districts, limiting the total state expenditure in a fiscal year to \$20 million.
<u>HB 1084</u>	<u>Smith, L.</u>	Provides that the sales tax exemption for the sale of packaging materials to manufacturers only applies to biodegradable or recycled packaging materials.
<u>SB 33</u>	<u>Thompson</u> <u>Harrelson</u>	Removes the prohibition against citing unpublished decisions of the Court of Appeals as precedent.
<u>SB 49</u>	<u>Key</u>	Revises the state income tax form to provide a means for taxpayers to designate that certain amounts of their tax refund be deposited in their Tax Deferred Tuition Savings Program account.
<u>SJR 3</u>	<u>Faris</u>	Proposes an amendment to the Constitution declaring the constitutional right to hunt, fish, trap, and harvest game, subject only to reasonable regulations of the AG&FC.

January 12th, 2009

ISSUES OF INTEREST

CLIMATE CHANGE

JOINT COMMITTEE ON ENERGY MEETING

The General Assembly's Joint Committee on Energy will meet upon adjournment of both chambers on Wednesday, January 14 in room 171 in the State Capitol. The primary agenda item is the presentation of a minority report from the Governor's Commission on Global Warming. Here is a list of people who will make presentations at this meeting:

1. Richard Ford, PhD, University of Arkansas at Little Rock, Global Warming Commission Member
2. Robert Ferguson, President, Science and Public Policy Institute, Washington, D.C.
3. Roy Spencer, PhD, University of Alabama in Huntsville
4. Paul C. Knappenberger, New Hope Environmental Services, Charlottesville, Virginia
5. Christopher Horner, Counsel, Cooler Heads Coalition and Senior Fellow, Washington, D.C.

COLUMNIST INVESTIGATES GLOBAL WARMING COMMISSION

David Sanders, a columnist for the Arkansas News Bureau has produced a series of four articles about the Governor's Commission on Global Warming. Here are links to each article:

December 31, 2008-- [Climate commission an expensive scheme](http://arkansasnews.com/?p=18603)
<http://arkansasnews.com/?p=18603>

January 4, 2009-- [More on the governor's climate change commission](http://arkansasnews.com/?p=19011)
<http://arkansasnews.com/?p=19011>

January 7, 2009-- [Global Warming Commission stifles debate](http://arkansasnews.com/?p=19462)
<http://arkansasnews.com/?p=19462>

January 11, 2009-- [Lawmakers should question Global Warming Commission](http://arkansasnews.com/?p=19852)
<http://arkansasnews.com/?p=19852>

STATE CHAMBER/AIA BILL TRACKING

As of close of business on Friday, January 9, 2009, the House has filed 58 bills and the Senate has filed 32 bills.

The State Chamber/AIA is tracking 49 bills and resolutions.

The complete list of pre-filed bills being tracked by the State Chamber/AIA:

- | | |
|---------------------------------|---|
| <u>HB 1002</u> <u>Wills</u> | Creates the Arkansas Scholarship Lottery Act, stating the intent to establish, operate and regulate state lotteries as authorized by the Arkansas Constitution. (incomplete bill) |
| <u>HB 1005</u> <u>Abernathy</u> | Changes "miscellaneous funds" for purposes of calculating foundation funding from the average received for previous five years to the previous year's amount multiplied by the ratio of the uniform tax rate to the |

district's total millage rate.

- HB 1006 Abernathy Requires the minimum salary of full-time classified school district employees be increased each year by the same percentage as the teacher salary component of the per-student foundation funding is increased.
- HB 1007 Abernathy Authorizes higher education institutions to compensate non-classified employees at retirement for unused sick leave.
- HB 1009 Green Makes the requirement that at least three copies of municipal ordinances related to zoning and construction be available to the public in the clerk's office applicable only if there is no electronic form of the code available to the public.
- HB 1013 Kidd Prohibits the use of handheld cellular telephones while driving. (Paul's Law)
- HB 1016 Greenberg Authorizes county election commissioners to participate in campaigns for general elections, specifying that the prohibition against campaigning for persons who appear on their county's ballot only applies to primary and runoff elections.
- HB 1017 Greenberg Repeals the requirement that health insurance policies cover the expense of in vitro fertilization.
- HB 1019 Greenberg Requires all statements appearing on radio, TV or the web intended to influence the vote of electors for which consideration is paid to clearly state that it is a paid political message and to identify the true sponsor of the statement.
- HB 1020 Lea Changes the schedule of the fiscal session of the General Assembly from even-numbered years to odd-numbered years, so that regular sessions will convene in even-numbered years.
- HB 1021 Woods Repeals provisions for the February presidential preferential primary elections, effectively restoring it to the third week in May.
- HB 1026 Smith, G. Increases the number of Oil and Gas Commission members who must be experienced in oil and gas development from four to six.
- HB 1028 Woods Clarifies language relating to municipal authority to secure priority clean-up liens on properties that are in violation of local codes.
- HB 1031 Allen
Wilkins,
H. Requires all health benefit plans to include coverage of prostate cancer screening for men over forty; requires coverage include at least one prostate-specific antigen blood test and a digital rectal examination per year.
- HB 1032 Martin Revises regulation of charitable bingo, removing the one-cent tax on bingo faces, removing the licensing requirements for distributors and manufacturers of bingo equipment, deleting authority of Revenue Division to hire inspectors, more.
- HB 1034 Cook
Broadway Creates the School Leadership Coordinating Council to recommend a system to coordinate and monitor leadership development efforts, assist in developing model evaluation tools for school boards and assist stakeholders in school support efforts.
- HB 1035 Nickels Requires homesteads used as a taxpayer's principal place of residence bought after 1/1/2001 by persons disabled or 65 years or older be assessed for property tax at the lower of the value when purchased or a later lower assessed value.
- HB 1037 Creekmore Amends the Consumer Report Security Freeze Act to allow consumers

- Broadway who are not victims of identity theft to place a freeze on consumer reporting; reduces the maximum fee and the time periods allowed for executing/suspending the freeze.
- HB 1042 Shelby Authorizes city boards of directors to appoint persons who reside outside the city to the positions of city treasurer, city clerk, city marshal and city recorder.
- HB 1045 Ragland Clarifies definition of a disability required to qualify for an income tax credit for supporting a child with a disability; defines permanent total disability as loss of use of both: hands, arms, legs, or eyes.
Smith, T.
- HB 1048 Woods Authorizes municipal sewer entities to request termination of water service for customers who are delinquent in paying for solid waste services.
- HB 1053 Greenberg Requires all expenditures of state funds by any office, department, agency, division, bureau, commission or board of the state be maintained in a publicly searchable database.
- HB 1054 Hobbs Moves the earliest possible date public schools can begin the school year from August 19 to August 12.
- HB 1055 Hobbs Creates a sales tax exemption for goods and services sold to churches and charitable organizations that provide a community service to the public, such as free food, clothing, shelter, day care, literacy training, etc.
- HB 1056 Hobbs Creates a sales tax exemption for proceeds from a rebate on a motor vehicle.
- HJR1001 Greenberg Changes legislative procedures for the first three days of special sessions, deleting requirement the bill be read on three different days, in each house, so that a bill may be filed and become law in one day.
- SB 2 Glover Repeals the gross receipts tax levied on mini-warehouse and self-storage rental services.
- SB 4 Altes Creates a sales and use tax exemption for the Disabled American Veterans Organization.
- SB 5 Altes Creates a sales and use tax exemption for all utilities used by manufacturers in the manufacturing process.
- SB 6 Altes Creates a sales and use tax exemption for farm equipment and machinery repair parts.
- SB 7 Altes Creates a sales and use tax exemption for the retail sale of systems and components that use a renewable resource as a source of energy or that offset the consumption of traditional energy.
- SB 8 Altes Creates an income tax credit for purchases of systems and components that use a renewable resource as a source of energy or that offset the consumption of traditional energy.
- SB 9 Altes Creates the Arkansas Historic Structures Rehabilitation Tax Credit Act, providing an income tax credit for 25% of the rehabilitation expense incurred by the owner of an eligible property.
- SB 10 Altes Provides that any tax, fee, or other item levied and collected for deposit into a special fund or designated as special revenue shall be considered as general revenues.
- SB 11 Altes Creates an income tax credit for 25 percent of expenses related to tuition, book fees, and laboratory fees, when the expenses exceed \$300 and are incurred by a dependent in grades K-12.

<u>SB 12</u>	<u>Altes</u>	Creates a back-to-school sales tax holiday for clothing purchases on the first Saturday in August of each year.
<u>SB 13</u>	<u>Altes</u>	Creates an income tax credit of \$1,000 for taxpayers who have a child under four years of age and whose spouse is unemployed and not a full-time student (stay-at-home parent).
<u>SB 19</u>	<u>Altes</u>	Removes the requirement that teachers who receive state aid for the certification process of the National Board for Professional Teaching Standards must complete the certification within three years or repay the amount contributed.
<u>SB 20</u>	<u>Altes</u>	Provides for the registration of mini-trucks for operation on roadways.
<u>SB 22</u>	<u>Altes</u>	Creates an income tax credit for 50 percent of security expenses incurred by refrigerated food businesses in taking action to prevent public access to anhydrous ammonia.
<u>SB 24</u>	<u>Altes</u>	Increases the income tax exemption for capital gains from 30 percent of net capital gain to 65 percent.
<u>SB 26</u>	<u>Smith, T.</u>	Implements state lotteries as authorized by Amendment 87 to the Arkansas Constitution.
<u>SB 28</u>	<u>Hendren</u>	Prohibits drivers under the age of 18 from using a cellular telephone to talk, text message or access the internet; specifies that a \$50.00 fine be issued for a second offense following a warning on the first offense.
<u>SB 29</u>	<u>Hendren</u>	Requires motorcycle operators and passengers to wear helmets unless they are covered by a health insurance plan that would pay expenses incurred as a result of an accident; provides for the issue of decals to drivers that prove coverage.
<u>SB 30</u>	<u>Hendren</u>	Reduces the maximum term of contract for school superintendents and assistant/deputy superintendents from three to two years; lists allowable causes for termination of contract and provides for recovery of attorney's fees arising from appeal.
<u>SB 31</u>	<u>Hendren</u>	Requires drivers to use hands-free cellular phones and specifies that a \$50.00 fine be issued for a second offense following a warning on the first offense.
<u>SB 32</u>	<u>Smith, T.</u>	Requires motor vehicle liability insurers to include the vehicle's listed lien holders as payees on claims for damage in excess of \$500.
<u>SJR 1</u>	<u>Glover</u>	A proposal to amend the Constitution to increase the terms of county officials from two to four years; adds requirement county officials must resign prior to filing as candidate for the General Assembly, unless in last year of term.
<u>SJR 2</u>	<u>Glover</u>	A proposed constitutional amendment repealing the requirement for annual legislative sessions and authorizing the appropriation of funds for two budget years.

January 9th, 2009

PRE-FILING UPDATE

Through the close of business on Wednesday, January 8, 2009, 80 bills had been pre-filed by members of the 87th General Assembly. So far, we have placed 45 of the pre-filed bills and resolutions in our tracking system.

As long as bills are filed during the session, we will provide a similar report on a daily basis. All of the bills we track can be accessed on our web site, www.arkansasstatechamber.com, where you may search for bills in a variety of ways. Click on the “Legislative Action Center” icon on our homepage for quick access to the governmental affairs section of our website. There you will find the State Chamber/AIA 2009 Legislative Agenda as well as information about the General Assembly. In addition, each *Daily Legislative Update* is posted to the website after being e-mailed to our members.

ISSUES OF INTEREST

WORKERS’ COMPENSATION AND UNEMPLOYMENT INSURANCE UPDATE

The State Chamber/AIA worked throughout 2008 on workers’ compensation and unemployment insurance issues. A series of private negotiations were held with AFL-CIO leaders which resulted in an agreement on workers’ compensation issues. The details of the agreement are currently being finalized. Once finalized, an agreed bill will be drafted and filed. A series of formal negotiations on unemployment insurance issues did not produce an agreement on unemployment insurance issues.

The unemployment insurance issue was limited to trying to solve one problem, a rapidly declining balance in the trust fund that pays unemployment insurance claims. When management and labor could not agree, the Department of Workforce Services staff crafted a proposal to address the declining trust fund balance. The State Chamber/AIA Unemployment Insurance/HR Committee recommended that the proposal be endorsed and the State Chamber/AIA Executive Committee agreed. We expect a bill to be filed without an agreement between management and labor and the State Chamber/AIA will support the bill.

The staff’s plan to shore up the trust fund is to treat employees who quit similar to those who are discharged, change the weekly calculation of benefits from using the highest quarter of earnings to the average of the two highest quarters and implement increases in the taxable wage base by \$500 effective on January 1, 2010 and another \$500 on January 1, 2011. It is our firm belief that it is in the best interest of business to make sure that the trust fund does not run short of funds. If that were to occur, the business community would have to pay the cost of borrowing money – which is going on all over the country.

HB 1037 THE CONSUMER REPORT SECURITY FREEZE ACT, which was pre-filed by Rep. Dawn Creekmore, is a bill that many of you might want to take a look at. It would allow consumers who are not victims of identity theft to place a freeze on consumer reporting, reduce the maximum fee and the time periods allowed for executing or suspending the freeze. We are told this bill is similar to a bill that passed late in the last session but was vetoed by the Governor. Banking, retail and other similar businesses should look closely at this bill, which might be brought up for consideration very early in the session.

STATE CHAMBER/AIA BILL TRACKING

As of close of business on Wednesday, January 8, 2009, the House had filed 48 bills and the Senate had filed 32 bills.

The State Chamber/AIA is tracking 45 bills and resolutions.

New pre-filed bills added to State Chamber/AIA tracking:

<u>HB 1026</u>	<u>Smith, G.</u>	Increases the number of Oil and Gas Commission members who must be experienced in oil and gas development from four to six.
<u>HB 1028</u>	<u>Woods</u>	Clarifies language relating to municipal authority to secure priority clean-up liens on properties that are in violation of local codes.
<u>HB 1031</u>	<u>Allen</u> <u>Wilkins, H.</u>	Requires all health benefit plans to include coverage of prostate cancer screening for men over forty; requires coverage include at least one prostate-specific antigen blood test and a digital rectal examination per year.
<u>HB 1032</u>	<u>Martin</u>	Revises regulation of charitable bingo, removing the one-cent tax on bingo faces, removing the licensing requirements for distributors and manufacturers of bingo equipment, deleting authority of Revenue Division to hire inspectors, more.
<u>HB 1034</u>	<u>Cook</u> <u>Broadway</u>	Creates the School Leadership Coordinating Council to recommend a system to coordinate and monitor leadership development efforts, assist in developing model evaluation tools for school boards and assist stakeholders in school support efforts.
<u>HB 1035</u>	<u>Nickels</u>	Requires homesteads used as a taxpayer's principal place of residence bought after 1/1/2001 by persons disabled or 65 years or older be assessed for property tax at the lower of the value when purchased or a later lower assessed value.
<u>HB 1037</u>	<u>Creekmore</u> <u>Broadway</u>	Amends the Consumer Report Security Freeze Act to allow consumers who are not victims of identity theft to place a freeze on consumer reporting; reduces the maximum fee and the time periods allowed for executing/suspending the freeze.
<u>HB 1042</u>	<u>Shelby</u>	Authorizes city boards of directors to appoint persons who reside outside the city to the positions of city treasurer, city clerk, city marshal and city recorder.
<u>HB 1045</u>	<u>Ragland</u> <u>Smith, T.</u>	Clarifies definition of a disability required to qualify for an income tax credit for supporting a child with a disability; defines permanent total disability as loss of use of both: hands, arms, legs or eyes.
<u>HB 1048</u>	<u>Woods</u>	Authorizes municipal sewer entities to request termination of water service for customers who are delinquent in paying for solid waste services.
<u>SB 28</u>	<u>Hendren</u>	Prohibits drivers under the age of 18 from using a cellular telephone to talk, text message or access the internet; specifies that a \$50.00 fine be issued for a second offense following a warning on the first offense.
<u>SB 29</u>	<u>Hendren</u>	Requires motorcycle operators and passengers to wear helmets unless they are covered by a health insurance plan that would pay expenses incurred as a result of an accident; provides for the issue of decals to drivers that prove coverage.

<u>SB 30</u>	<u>Hendren</u>	Reduces the maximum term of contract for school superintendents and assistant/deputy superintendents from three to two years; lists allowable causes for termination of contract and provides for recovery of attorney's fees arising from appeal.
<u>SB 31</u>	<u>Hendren</u>	Requires drivers to use hands-free cellular phones and specifies that a \$50.00 fine be issued for a second offense following a warning on the first offense.
<u>SB 32</u>	<u>Smith, T.</u>	Requires motor vehicle liability insurers to include the vehicle's listed lien holders as payees on claims for damage in excess of \$500.

Tuesday, December 16th

PRE-FILING UPDATE AND STATE CHAMBER/AIA BILL TRACKING

As of Friday December 12, 51 bills had been pre-filed. The House had filed 24 bills and the Senate 27 bills. We have placed 30 of the pre-filed bills and resolutions in our tracking system and have pasted the list below.

New bills added to State Chamber/AIA tracking:

<u>HB 1013</u>	<u>Kidd</u>	Prohibits the use of handheld cellular telephones while driving.
<u>HB 1016</u>	<u>Greenberg</u>	Authorizes county election commissioners to participate in campaigns for general elections, specifying that the prohibition against campaigning for persons who appear on their county's ballot only applies to primary and runoff elections.
<u>HB 1017</u>	<u>Greenberg</u>	Repeals the requirement that health insurance policies cover the expense of in-vitro fertilization.
<u>HB 1019</u>	<u>Greenberg</u>	Requires all statements appearing on radio, TV or the web intended to influence the vote of electors for which consideration is paid to clearly state that it is a paid political message and to identify the true sponsor of the statement.
<u>HB 1020</u>	<u>Lea</u>	Changes the schedule of the fiscal session of the General Assembly from even-numbered years to odd-numbered years, so that regular sessions will convene in even-numbered years.
<u>HB 1021</u>	<u>Woods</u>	Repeals provisions for the February presidential preferential primary elections, effectively restoring it to the third week in May.
<u>HJR1001</u>	<u>Greenberg</u>	Changes legislative procedures for the first three days of special sessions, deleting requirement the bill be read on three different days, in each house, so that a bill may be filed and become law in one day.
<u>SJR 2</u>	<u>Glover</u>	A proposed constitutional amendment repealing the requirement for annual legislative sessions and authorizing the appropriation of funds for two budget years.

Friday, December 5th, 2008

GOVERNOR BEEBE'S PROPOSED BUDGET

Governor Beebe has released his budget proposals for the next legislative cycle including a modest cut of the grocery tax. The requested one percent reduction would drop the tax to two percent and would be another step toward fulfilling one of the Governor's campaign promises. Some legislators have voiced concern about taking another penny off the sales tax on groceries, a \$30 million cost, given the current state of the economy.

For education, the Governor proposes a 2 percent increase in per-student funding, most of which is derived from growth in local property taxes. The budget does not offer new money for teacher health insurance or school transportation. There is also no new money for higher education for improved retention and graduation rates.

The total price tag for the state budget stands at \$4.5 billion. The budget includes an unfunded appropriation column that includes Medicaid programs, prisons and other state services totaling \$146 million. Beebe's plan is to pay for these unfunded appropriations using part of the projected \$300 million surplus as a "rainy day fund" to cover emergency needs in the budget.

The projections for state revenue have been called conservative by the Governor and the Department of Finance and Administration. Many states are experiencing severe economic troubles and Arkansas is definitely in the minority of states with a surplus. While the Governor is preparing for hard times, he says that the unfunded appropriations will likely be covered by any money above projections. However, if projections stay on target, then part of that funding could come from the "rainy day fund."

Revenue forecasts were based on three scenarios from national forecast providers Global Insight Inc. and Moody's Analytics.

PRE-FILING UPDATE AND STATE CHAMBER/AIA BILL TRACKING

Pre-filing for members of the 87th General Assembly began on Monday, November 17th. As of Friday the 30th, 35 bills had been pre-filed. The House had filed nine bills and the Senate had filed 26 bills. We have placed 22 of the pre-filed bills and resolutions in our tracking system and have pasted the list below.

New bills added to State Chamber/AIA tracking:

<u>HB 1002 Wills</u>	Creates the Arkansas Scholarship Lottery Act, stating the intent to establish, operate, and regulate state lotteries as authorized by the Arkansas Constitution.(incomplete bill)
<u>HB 1005 Abernathy</u>	Changes "miscellaneous funds" for purposes of calculating foundation funding from the average received for previous five years to the previous year's amount multiplied by the ratio of the uniform tax rate to the district's total mileage rate.
<u>HB 1006 Abernathy</u>	Requires the minimum salary of full-time classified school district employees be increased each year by the same percentage as the teacher salary component of the per-student foundation funding is increased.
<u>HB 1007 Abernathy</u>	Authorizes higher education institutions to compensate non-classified employees at retirement for unused sick leave.
<u>HB Green</u>	Makes the requirement that at least three copies of municipal

<u>1009</u>		ordinances related to zoning and construction be available to the public in the clerk's office applicable only if there is no electronic form of the code available to the public.
<u>SB 2</u>	<u>Glover</u>	Repeals the gross receipts tax levied on mini-warehouse and self-storage rental services.
<u>SB 4</u>	<u>Altes</u>	Creates a sales and use tax exemption for the Disabled American Veterans Organization.
<u>SB 5</u>	<u>Altes</u>	Creates a sales and use tax exemption for all utilities used by manufacturers in the manufacturing process.
<u>SB 6</u>	<u>Altes</u>	Creates a sales and use tax exemption for farm equipment and machinery repair parts.
<u>SB 7</u>	<u>Altes</u>	Creates a sales and use tax exemption for the retail sale of systems and components that use a renewable resource as a source of energy or that offset the consumption of traditional energy.
<u>SB 8</u>	<u>Altes</u>	Creates an income tax credit for purchases of systems and components that use a renewable resource as a source of energy or that offset the consumption of traditional energy.
<u>SB 9</u>	<u>Altes</u>	Creates the Arkansas Historic Structures Rehabilitation Tax Credit Act, providing an income tax credit for 25 percent of the rehabilitation expense incurred by the owner of an eligible property.
<u>SB 10</u>	<u>Altes</u>	Provides that any tax, fee, or other item levied and collected for deposit into a special fund or designated as special revenue shall be considered as general revenues.
<u>SB 11</u>	<u>Altes</u>	Creates an income tax credit for 25 percent of expenses related to tuition, book fees, and laboratory fees, when the expenses exceed \$300 and are incurred by a dependent in grades K-12.
<u>SB 12</u>	<u>Altes</u>	Creates a back-to-school sales tax holiday for clothing purchases on the first Saturday in August of each year.
<u>SB 13</u>	<u>Altes</u>	Creates an income tax credit of \$1,000 for taxpayers who have a child under four years of age and whose spouse is unemployed and not a full-time student (stay-at-home parent).
<u>SB 19</u>	<u>Altes</u>	Removes the requirement that teachers who receive state aid for the certification process of the National Board for Professional Teaching Standards must complete the certification within three years or repay the amount contributed.
<u>SB 20</u>	<u>Altes</u>	Provides for the registration of mini-trucks for operation on roadways.
<u>SB 22</u>	<u>Altes</u>	Creates an income tax credit for 50% of security expenses incurred by refrigerated food businesses in taking action to prevent public access to anhydrous ammonia.
<u>SB 24</u>	<u>Altes</u>	Increases the income tax exemption for capital gains from 30 percent of net capital gain to 65 percent.
<u>SB 26</u>	<u>Smith, T.</u>	Implements state lotteries as authorized by Amendment 87 to the Arkansas Constitution.
<u>SJR 1</u>	<u>Glover</u>	A proposal to amend the Constitution to increase the terms of county officials from two to four years; adds requirement county officials must resign prior to filing as candidate for the General Assembly, unless in last year of term.