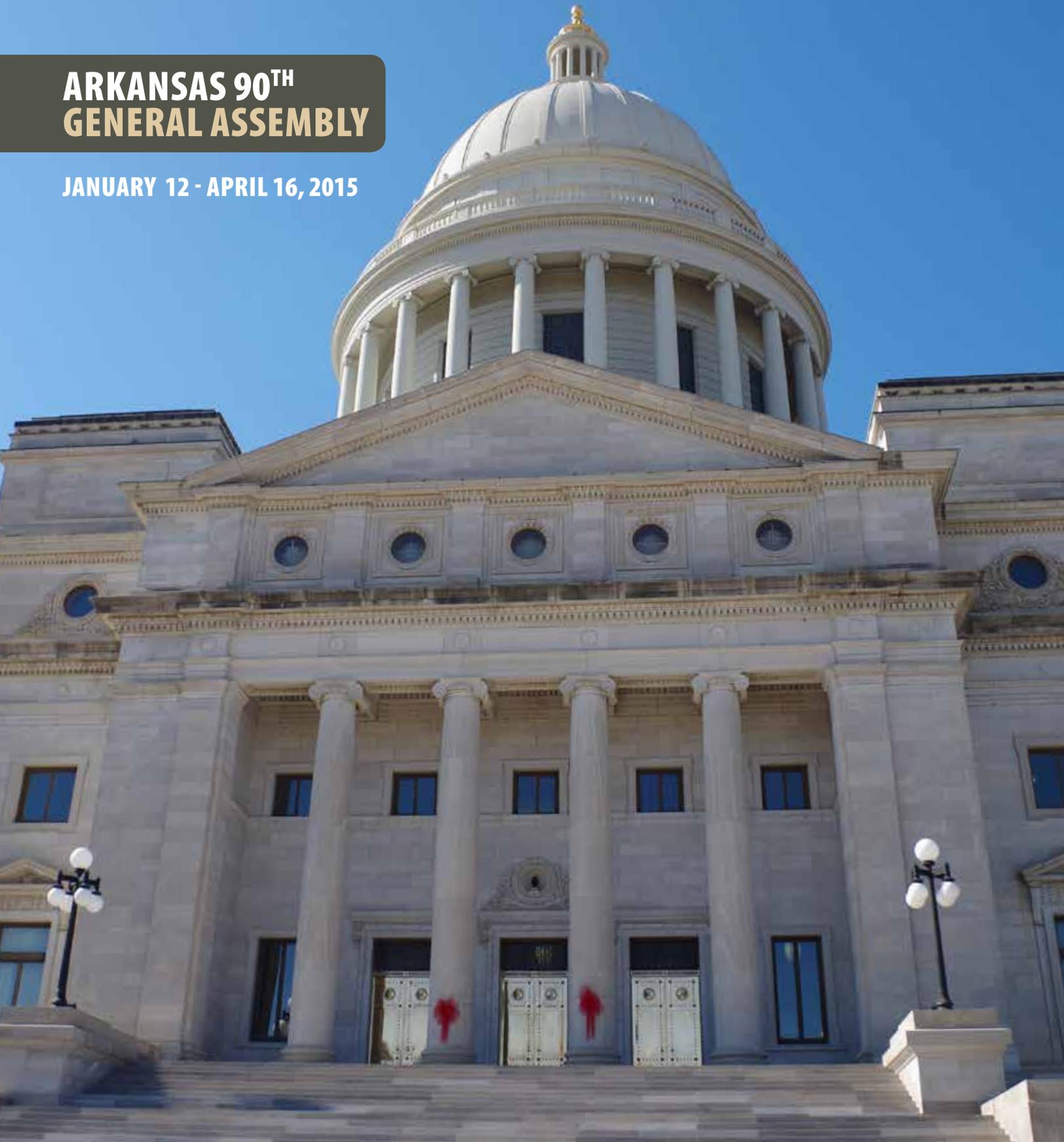


# LEGISLATIVE SUMMARY

**FARM  
BUREAU**  
ARKANSAS

**ARKANSAS 90<sup>TH</sup>  
GENERAL ASSEMBLY**

**JANUARY 12 - APRIL 16, 2015**



# ARKANSAS FARM BUREAU CONTACT INFO

*For more information, please contact the  
Arkansas Farm Bureau Public Policy Department:*

**Stanley Hill**

*Vice President of Public Policy*  
501-228-1564  
stanley.hill@arfb.com

**Jeff Pitchford**

*Director of Public Policy – State Affairs*  
501-228-1625  
jeff.pitchford@arfb.com

**Zac Bradley**

*Director of Public Policy – National Affairs*  
501-228-1626  
zac.bradley@arfb.com

**Ross Dunn**

*Assistant Director of Public Policy – Local Affairs and Rural Development*  
501-228-1627  
ross.dunn@arfb.com

**Michelle Kitchens**

*Assistant Director of Public Policy – Legislative Research*  
501-228-1324  
michelle.kitchens@arfb.com



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# 90th General Assembly

Once again, Arkansas Farm Bureau was an effective voice for our members and the agricultural community during the 90th Arkansas General Assembly regular session.

Thank you to the county Farm Bureau leaders who helped make it a success by participating in the process, coming out to Farmers' Day at the Capitol, hosting legislative breakfasts, and making personal contacts with legislators. Our continued effectiveness at the Capitol comes from our grassroots organization that gives us strength and credibility.

Thanks also to the legislators, who give of their time for the betterment of all Arkansans. We appreciate your attention to the issues that are important to Arkansas agriculture. Many of the matters addressed in the most-recent legislative session not only affect agriculture but all of rural Arkansas. We must work together to help keep a focus on rural Arkansas, where much of Arkansas agriculture adds value to the quality of life.

While the general session is complete, our job is not. We must continue to work on issues that affect our ability to provide food, fiber and shelter for citizens of our state, this country and many parts of the world.

Now more than ever before, we have to define ourselves rather than letting others define us! We have to have all our leadership to engage in these efforts. All of the good work of those who came before us will become futile unless we stay vigilant in the future.

I thank you again for your hard work on behalf of Arkansas agriculture and the people of the great state of Arkansas. God bless you and your families, God bless the farmers and ranchers of our state and God bless Arkansas Farm Bureau.



**—Randy Veach**  
*Arkansas Farm Bureau President*

# ARKANSAS FARM BUREAU PRIORITY LIST

## **Additional funding for the University of Arkansas Division of Agriculture and retention of the existing structure of the Division of Agriculture within the University of Arkansas System**

All the funding issues on Arkansas Farm Bureau's priority list were determined by available funds. State revenues have been strong in recent reporting periods, but the legislature cut more than \$100 million in taxes before the session closed. Most of those cuts came in the form of an income tax reduction early in the session. The Division



of Agriculture will receive some one-time funds to address its budgetary needs. Most agencies and all of higher education are facing possible budget cuts in this cycle, so any additional funding is a victory. Many in legislative leadership are committed to working to increase the division's base funding in the future.

Another win for the Division of Agriculture is **HB 1806 (Act 1065)** by Rep. DeAnn Vaught (Horatio) which gives the division and CES clarifying authority over the UA Agricultural Experiment Stations and other operational procedures. Rep. David Hillman (Almyra) was also successful in passing **HB 1399 (Act 686)** which solidifies the law that allows public institutions like the experiment stations to keep proceeds from property sales for their research.

## **Grain dealing and warehousing safeguards**

**SB 555 (Act 601)** sponsored by Sens. Ronald Caldwell

(Wynne) and Bruce Maloch (Magnolia) and Reps. Michael John Gray (Augusta), Dan Douglas (Bentonville) and David Hillman (Almyra) was supported by numerous agriculture stakeholders.

Grain dealers (those entities that actually purchase grain from producers) will have to be registered and licensed with the State Plant Board in order to operate in Arkansas. They will have to meet minimal requirements for licensure, including bonding and registration fees. Each year, they must seek to renew their license.

Licensed grain dealers will be publicly listed on the State Plant Board website. Warehouses that are subject to federal and state regulations and are licensed under those laws are exempted from the bill but will be included in the public list.

The State Plant Board will have authority to conduct audits, suspend licenses, issue cease and desist orders and take receivership of grain dealers upon judicial review. The bill sets forth penalties for non-compliance with these requirements:

- a misdemeanor for negligence in non-compliance.
- a felony to knowingly not comply.

The bill will provide farmers with a mechanism to report slow payment to farmers via a slow-pay hotline within the Plant Board.

## **Protection of the current structure of commodity research and promotion programs**

Early in the session, Sen. Stephanie Flowers (Pine Bluff) had holds on multiple research and promotion board budgets. Holds were released after meetings with the senator. They are now **Acts 4, 14, 307, 308, 309 and 352**.

**SB 920** by Sen. Gary Stubblefield (Branch) would have changed the structure of the research and promotion programs. The bill would have moved the grain-related programs to the Arkansas Agriculture Department, utilizing the 3 percent of the checkoff funds, currently kept by the state, to pay for administering the programs and to create an indemnity fund for financial failures of grain dealers and warehouses. The bill failed in the Senate Agriculture, Forestry and Economic Development Committee. Farm Bureau opposed the bill.

Late in the session, Rep. Micah Neal (Springdale) amended **HB 1851** to change the appointment process for more than 60 boards and commissions. The amendment included the Arkansas Catfish Promotion Board, Arkansas Rice Research and Promotion Board, Arkansas Wheat Promotion Board, Arkansas Corn and Grain Sorghum Promotion Board, Arkansas Beef Council, Arkansas Soybean Promotion Board and Arkansas Natural Heritage

Commission. Farm Bureau recommends appointments on each of these boards. Current law requires Farm Bureau to submit names for the governor's consideration and the governor appoints from Farm Bureau's nominations. **HB 1851** would have changed this to language to say "the governor shall consult Arkansas Farm Bureau." This change would have shifted those appointments heavily to the governor's discretion. After meeting with Gov. Asa Hutchinson, he agreed to amend the agriculture boards and commissions out of the bill addressing the concerns of Farm Bureau and other agriculture groups. The bill is now **Act 1100**.

### **Adequate and accessible rural Internet connectivity**

The legislature and the governor are committed to improve Internet access in the state. Much like the delivery of other utilities (rural water and electricity as examples) to rural Arkansas, the issue will be addressed over several years. One of the first steps this session was the review of a study commissioned by the General Assembly to evaluate Internet access by the K-12 schools. The improvement of infrastructure and access for schools should expand better availability for citizens as well. Private providers, the Arkansas Department of Information Services, the General Assembly and the governor are working together to develop a strategic plan to improve services both for K-12 and the public. Several ideas have been surfaced including allowing cooperation between utilities and public/private partnerships but a comprehensive legislative fix is not part of the short-term plan.

Arkansas has opened a bid invitation to create a broadband network for schools, with work scheduled to begin in July. An invitation for bid covering seven years was opened March 9 asking providers for pricing for broadband services. The letter said the state will be financially responsible for providing Internet access to district hubs, while school districts would be responsible for metropolitan access network services connecting individual buildings from those hubs. The Arkansas Department of Education initially will provide sufficient funding for districts to have a minimum of 100 megabits per second at the district hub, with the goal being to reach a standard of 100 kilobits per second per student, a standard set by the Federal Communications Commission. Currently, 58 percent of Arkansas districts meet that standard.

### **Maintain Career/Technical Education under the Department of Career Education**

Although it was discussed as a possibility prior to the session, no legislation or other efforts were made to move

Career and Technical Education under the Department of Education. A renewed interest in career education could be ahead because the state is reexamining workforce training. This new direction could mean good things for agriculture education in particular.

### **Additional measures to prevent metal theft**

This issue was approached from multiple angles this session. Summarily, Attorney General Leslie Rutledge has agreed to implement from her office an inspection program for scrap metal dealers. This effort should bring more metal dealers into compliance with current law which has good reporting and record keeping requirements.

Rep. David Hillman (Almyra) presented **HB 1345** to prohibit cash payments for scrap metal sales to the House



Judiciary Committee, and unfortunately, the bill failed.

**HB 1110** by Rep. Richard Womack (Arkadelphia) to allow minors older than 16 to sell scrap metal without their parent or guardian was defeated on the House floor. Farm Bureau opposed the bill because it eroded the current laws on metal theft sales.

### **Funding for veterinary students at Mississippi State University**

With the need for more food supply veterinarians practicing in our state, legislators are working to identify ongoing funding for this program for 2015 and beyond. Legislators are studying the budget to find the necessary funds for the loan forgiveness program.

### **Continued funding for Discovery Farms Program and Big Creek Research Project**

While no special appropriation dollars were allocated

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for Discovery Farms, Farm Bureau obtained commitments from several legislators for part of their General Improvement Fund dollars to help fund the programs going forward. **SB 270 (Act 369)** appropriates \$100,000 without additional funding for the Big Creek Research Project (this is the Newton County C&H hog farm project). Researchers will be required to present to the Joint Public Health Committee twice annually.

### **Protection of agriculture's interest in the State Water Plan update**

There was no legislation to implement the State Water Plan this session. The plan and rules of implementation are set to go through another round of public meetings this year. Rep. Joe Jett (Success) filed two bills related to tax credits for water conservation projects, but neither bill was heard in committee. We anticipate that there will be opportunities for tax credits and other positive legislative action in the future. Although the 2014 Arkansas Water Plan update has been approved by the Arkansas Natural Resource Commission, the issues and recommendations within the update must still be adopted as commission rule. Before adoption can take place, the proposed rules will need to go through statutory procedures established by the General Assembly to ensure that the rules are made publicly available for discussion before the General Assembly approves the rules as final.

## **OTHER ISSUES**

### **Bovine Health Program**

Rep. Dan Douglas' (Bentonville) **HB 1309 (Act 342)** renames and repurposes the state's brucellosis program. It will allow the funds, previously designated for use only in the brucellosis program to be used for a newly created bovine health program, and allows the Livestock and Poultry Commission to revise the brucellosis services. Farm Bureau supported this change.

Rep. Jeff Wardlaw's (Warren), **HB 1388 (Act 1077)**, capping the \$1 per head funding fee for the program, failed in the Senate Agriculture, Forestry and Economic Development Committee upon an initial vote but passed after an amendment. Arkansas Farm Bureau policy is neutral on capping the fee. Our priority was allowing the brucellosis funds to be used for other cattle health needs.

### **CAFO Permit Notifications**

Rep. Warwick Sabin's (Little Rock) **HB 1701** to add CAFO notification requirements to state law failed in the

House Agriculture, Forestry and Economic Development Committee. Farm Bureau opposed the legislation. New permits seekers are currently required by regulation to notify all adjacent property owners, the county judge, the mayor of an incorporated municipality within 10 miles and school superintendents by certified mail; publish notice in the newspaper with the largest circulation in the county of the site of the facility; and post a two-by- three foot sign on a public road nearest the entrance to the site of the facility. **HB 1701** would have made it a state law instead of a regulatory requirement.

### **Catfish Labeling**

**HB 1854 (Act 1191)** by Rep. Michael John Gray (Augusta) amended provisions concerning catfish labeling, providing separate definitions for catfish and catfish-like fish and requiring labels to clearly identify the species and the country or state of origin. The act requires same identification for restaurant menus.

### **Commercial Dog Breeding**

After presenting **HB 1620** to the House Agriculture, Forestry and Economic Development, Rep. Jim Sorvillo (Little Rock) withdrew his dog breeding bill from further consideration. There was testimony for and against the bill. The legislators had several thoughtful questions about increased regulations and if the legislation would stop bad operators. The sponsor asked for an interim study on the issue.

### **Cuba Resolution**

**HCR1006** sponsored by Reps. David Hillman (Almyra), Dan Douglas (Bentonville) and Sens. Eddie Joe Williams (Cabot), Ronald Caldwell (Wynne), and Bruce Maloch (Magnolia) encourages the president and Congress to work to restore trade relations between the United States and Cuba. This resolution was hotly debated but passed the General Assembly.

### **Education**

Gov. Hutchinson signed **HB 1263 (Act 377)** by Rep. Bruce Cozart (Hot Springs.) It allows the Department of Education to grant waivers to school districts that fall below the current 350-student minimum, as long as they are not in academic, fiscal or facilities distress. Under current state law, those districts must be consolidated with other districts regardless of their performance.

**SB 1037 (Act 1286)** by Sen. Gary Stubblefield (Branch) requires the Department of Career Education to collaborate with the Department of Education to develop

an agricultural school pilot program consisting of at least one elementary and one middle school by the 2016-17 school year.

### Eminent Domain

**HB 1908 (Act 1101)** by Rep. Rick Beck (Center Ridge) will establish the rights of property owners in dealings with entities authorized by law to exercise the power of eminent domain. The act requires the circuit court to impanel a 12-person jury to determine compensation, makes the state liable to the owner for court/attorney costs when the final compensation is 20 percent or more above the entity's initial assessment, changes property owner's right from "market value compensation" to "just compensation," and requires the assessment of the just compensation to be provided to the property owner or filed with the complaint for condemnation when the owner can't be located.

**SB 757 (Act 1002)** by Sen. Jim Hendren (Gravette) establishes procedures for compensating owners whose private property is devalued as a result of state and local regulatory programs and use of eminent domain.

### Feral Hogs

Rep. DeAnn Vaught's (Horatio) **HB 1569 (Act 723)** amended the state's feral hog laws and was signed by the governor. The bill had broad support in the legislature despite pushback from hog hunters and penned hunt facilities. More than 50 cosponsors signed onto the bill. **Act 723** changes the penalty for releasing hogs from a felony to a misdemeanor but individuals transporting hogs can now lose their hunting license for up to five years. Any state law enforcement officer will be able to write a citation. The act allows the Game and Fish Commission to issue depredation permits. Such permits would only be given to Arkansas residents and would not be required for property owners or tenants hunting or trapping on their own property or leased property. The permits will help prevent poachers from claiming hog hunting as a defense in poaching cases.

Fines collected under the law will be deposited into a Game Protection Fund to be used to eradicate feral hogs. The fund will be used in part to purchase traps that can be leased by private landowners. Trapping programs in other states are showing success in reducing hog numbers. By reducing the felony to a misdemeanor, law enforcement will be more inclined to ticket offenders. The fine for transporting a live feral hog in Arkansas is \$1,000 per animal. Human transportation of hogs is the most common cause of their spread across the state and country. Farm Bureau worked closely with Rep. Vaught on the legislation and supported the bill.

### Fire Control and Protection

Last session Arkansas Farm Bureau was part of a coalition that helped increase the fire protection tax paid on timberland. Our policy supported the change, and we worked closely with the Arkansas Forestry Association (AFA) to accomplish the goal. AFA worked this session on a bill that would eliminate or limit a dual fire tax on timberland. Rep. Ken Bragg (Sheridan) filed **HB 1379 (Act 346)** to correct the issue.

**Act 346** specifies the elected board of commissioners of a fire protection district shall assess timberland at an amount no greater than 25 percent of the Forest Fire



Protection Tax. It allows fire protection districts that have been legally organized at the time of the bill's passage to continue to assess timberland at the district's current rate, so those districts may continue to access funds for timber fire responses.

**SB 863 (Act 1274)** by Sen. Bryan King (Green Forest) authorizes a property owner to conduct a controlled burn of a residence or structure if approved by the quorum court and local fire department.

### Freedom of Information

Rep. Dan Douglas' (Bentonville) bill **HB 1080** exempting unpublished university research and data from

*continues*

the Freedom of Information (FOI) law did not pass the House committee. The bill would have allowed researchers collecting data and making conclusions some protection to properly vet their research before it is subject to public scrutiny. Arkansas' FOI law currently only allows 19 exemptions, but other states do have exemptions for unpublished research. Farm Bureau policy supports this change and we hope to work on this issue in the future.

### Grain Lien Bill

**HB 1553 (Act 1082)** by Rep. James Ratliff (Imboden) and Sen. Blake Johnson (Corning) establishes lien priorities for transactions between agricultural lenders and producers of grain, soybeans and peanuts.

### Income Tax Exemption

Sen. Missy Irvin (Mountain View) and Rep. Brent Talley (Hope) were successful in passing **SB 341 (Act 891)** which creates an income tax exemption for payments for certain agriculture disaster programs, including: Livestock Forage Disaster Program, Livestock Indemnity Program,



Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish, Emergency Conservation Program, Noninsured Crop Disaster Assistance Program, Pasture, Rangeland, Forage Pilot Insurance Program, Annual Forage Pilot Program, Livestock Risk Protection Insurance Plan, and Livestock Gross Margin insurance plan. Farm Bureau supported this solid exemption for livestock producers.

### Livestock

**HB 1960 (Act 965)** by James Ratliff (Imboden) makes numerous revisions concerning the branding and marking of livestock. It authorizes the Livestock and Poultry Commission to eliminate its Division of Brand Registry and contract with a private entity to administer the registry.

### Nutrient Trading

**HB 1067 (Act 335)** by Rep. Charlie Collins (Fayetteville) will allow the Arkansas Pollution Control and Ecology Commission to establish a nutrient water-quality trading system which may involve credits, offsets and exchanges; creates a nutrient water quality trading advisory panel. Farm Bureau policy supports water-quality credit trading and we will work with the group to create ways for agriculture to participate.

### Poultry

**HB 1214 (Act 1169)** by Rep. Jon Eubanks (Paris) requires production contracts and mortgages related to them contain notice that additional investments may be required on the part of the grower to complete the terms of the contract. The bill initially stalled in the Senate Agriculture, Forestry and Economic Development Committee after passing the House by an overwhelming vote. A late effort by Rep. Eubanks got the bill passed by the Senate.

Rep. Eubanks' **HB 1963** to create the Production Contract Arbitration Procedure Act passed the House by a solid vote, but it did not advance beyond the Senate Agriculture committee.

### Taxes

**HB 1259** by Rep. Jett (Success) would have created a sales tax exemption for parts or services related to the repair or initial installation of agricultural machinery. The bill died in the House Revenue and Taxation Committee.

**HB 1428** by Rep. Jett would have exempted from sales and use tax the purchase of electricity, liquefied petroleum gas and natural gas used by an irrigation well or a rice well. This bill was never heard in committee.

### Unpaved Roads Program

**SB 613 (Act 898)** by Sen. Missy Irvin (Mountain View) and Rep. Doug House (North Little Rock) created the Unpaved Roads Program to provide incentive grants and public-private partnership arrangements to assist counties in funding unpaved road projects. The program, supported by Farm Bureau, will encourage best management practices for decreasing runoff from unpaved roads and improving water quality. The program was development to partially address the concerns surrounding expanded critical habitat for species protected under the U.S. Endangered Species Act.

### Water Ways

**HB 1179 (Act 79)** by Rep. Ratliff (Imboden) repeals the

prohibition on operating a motorboat with an engine over 30 hp on a portion of the Eleven Point River.

### **Wine Ban and Interstate Commerce**

Rep. Dan Douglas (Bentonville) pulled his bill (**HB 1934**) to ban wine from states that place a “substantial burden” on the Arkansas agriculture industry. Rep. Douglas’ objective was to raise awareness of the implications of states imposing their standards on other states. The bill drew media attention from out-of-state and national media outlets.

includes \$64 million in spending, approximately \$33 million this biennium, to create an additional 790 beds. The broader plan includes revision of sentencing and work toward a better plan for prisoners to re-enter society.

The plan initially would be partially funded by \$31 million coming from the Arkansas Insurance Department’s reserve fund and \$2.6 million from unclaimed property.

The plan calls for:

- \$16 million to be spent for Department of Community Corrections initiatives for re-entry programs and alternative sentencing. These funds would be used to change behavior through additional parole and probation officers, support staff, and substance abuse treatment managers.
- \$5.5 million to create transitional re-entry centers for 500 parolees at a cost of \$30.62 per inmate. The centers would provide work training and preparation to re-enter society.
- \$2.8 million would be for grants to create alternative sentencing courts, with \$100,000 per judicial district during the next biennium.

## **GENERAL SESSION OVERVIEW**

### **The Budget**

The \$5.2 billion budget passed by the General Assembly is similar to the one proposed by Governor Hutchinson in January. Approximately 93 percent of the budget goes to the “big six” which consists of the Education Public School Fund, Department of Human Services, Higher Education Institutions, the Department of Corrections, Department of Community Corrections and the Health Department.

It will set aside a \$4.3 million rainy day fund and make proposed cuts of \$1.1 million to the Division of Aging and Adult Services, \$1 million to the State Library and \$2.5 million to the Accelerate Arkansas program.

The plan will increase the total general-revenue budget by \$133.4 million to \$5.2 billion. The Public School Fund will increase by \$49.4 million. The plan also will increase funding for the Department of Human Services by \$5.1 million and give the Department of Correction a \$1.7 million increase. The Department of Community Correction will receive a \$1.68 million increase. Revenue for county jail reimbursements will increase by \$11.4 million.

Despite the overall increase in the state’s budget, most state agencies will receive a 1 percent cut under the plan. Colleges and universities would be held flat, but 1 percent of their funding would be put into Category B1, which is the first category to be cut if the revenue forecast is revised downward. So depending on the state revenue, they could be in for a cut as well.

The budget will allow Gov. Hutchinson and the legislature to divide \$40 million in surplus funds. The governor would get \$20 million to distribute and the House and Senate would get \$10 million each to distribute in General Improvement Funds (GIF.)

### **Corrections Reform**

The governor unveiled a prison reform plan that



### **Workforce Training**

Sen. Jane English (North Little Rock) shepherded a series of workforce training bills this session. The senator negotiated workforce changes in the last session and these bills are a result of that negotiation.

**SB 368 (Act 892)** by Sen. English and Rep. Charlotte Douglas (Alma) creates a new statewide workforce development system and renames the Board of Career Education as The Career Education and Workforce Development Board. The 10-person board includes representatives from various industries including agriculture, construction, energy, health care, information technology, manufacturing, financial services, hospitality,

transportation logistics and rehabilitation services. Non-voting members include: the state's education commissioner, higher education director, executive director of the Arkansas Community Colleges, Arkansas Economic Development Commission director and the director of the Department of Workforce Services.

According to the act, the purpose of the board is to develop and monitor a state plan for vocational-technical education which shall include the establishment of at least one area vocational center in each education service cooperative service area and in Pulaski County.” The Career Education and Workforce Development Board will develop each of the policy issues affecting public schools after consulting the state board of education and will be



implemented in coordination with the department of education, the education service cooperatives or both.

Additionally, the board would have general supervision of all programs involving vocational, technical and occupational education, and would have control over administering the state's adult education funds.

**SB 371 (Act 994)** by Sen. English will expand public schools partnering with higher educational institutions by allowing school districts to use national school lunch funds to provide concurrent courses or technical education options to students in grades eight through twelve.

## Taxes

The General Assembly made a \$100 million income tax cut very early in the session. Part of the initial trade-off was a reduction in the capital gains tax cut passed by the 89th General Assembly. After much negotiation and a positive revenue report, the legislature was able to keep all the capital gains cuts made in 2013 and make the income

tax cut as well. **SB 6 (Act 22)** by Sen. Jonathan Dismang (Searcy) and Rep. Jeremy Gillam (Judsonia) will cut taxes in 2015 for individuals in the three income brackets. Starting in 2016, taxpayers with incomes between \$21,000 and \$35,099 would have their state tax rates reduced from 6 percent to 5 percent, while income between \$35,100 and \$75,000 would be taxed at 6 percent instead of the current 7 percent. Those with incomes above \$75,000 would pay a 6.9 percent rate on income above \$35,100.

Rep. Joe Jett (Success) passed **HB 1662 (Act 1182)** to exempt from sales and use tax the services required to install parts in commercial jet aircraft that is already tax exempt; exempts from sales and use tax the sale of aircraft within the state. The bill has a fiscal impact of \$2.1 million in 2016.

## Private Option

Gov. Hutchinson asked the General Assembly to fund the private option through the end of 2016 and that funding bill passed early in the session. He created a taskforce to develop reforms for possible alternative health coverage for those on the private option and a plan to modernize Medicaid delivery. The taskforce will be asked to present its recommendations by the end of 2015. There were bills to terminate the “private option” but none were successful.

The governor, Sen. Jim Hendren (Gravette) and Rep. Kelley Linck (Flippin) traveled to D.C. and met with officials at the Department of Health Services (DHS) seeking more flexibility for Medicaid dollars in the state. They received positive feedback from DHS. Gov. Hutchinson said he is committed to finding solutions for health care in Arkansas and strengthening the delivery system including rural hospitals. The governor has also announced that he might seek a special session on health care later.

## Ethics Reform

House and Senate leaders worked all session to add clarifying language related to the ethics and campaign reform ballot, **Issue 3 now Amendment 94 to the Arkansas Constitution**, adopted last year.

**SB 967 (Act 1280)** by Sen. Jon Woods (Springdale) and Rep. Warwick Sabin (Little Rock) increases the maximum campaign contribution from \$2,000 to \$2,700 per election and sets up an automatic increase process that will occur every two years. It adds members of the judiciary to the list of elected officials that cannot receive gifts. It provides details about “planned activities” in which legislators and others can receive food and drink. Such activities must include notice to the entire group and lobbyists can only host one activity for the same group within seven days. It

defines available defenses to claims of receipt of illegal gifts and limits campaign signs on candidate vehicles on capitol grounds to 12x12 inches. It also addresses carry-over use of certain campaign materials. Legislators will be able to accept personalized awards that recognize their service provided it is valued at \$150 or less. The new law also allows elected officials to continue in service as an officer, director or board member of a firm registered to do business in the state or other organization that files a state or federal tax return. Benefits of that service (salary, benefit, service, fee, commission, expense, or anything of value) with said organizations must be solely connected with the person's service to the organization and unrelated to the their elected office.

### **De-Regulating Licensing and Professional Certification Bills**

**HB 1823 (Act 1066)** by Rep. Jim Dotson (Bentonville) amends the state's licensing laws by requiring licensing entities to adopt reduced requirements for reinstatement of a license, registration or certification for people that can demonstrate a set of standards, achievements, etc. The bill was amended to delete the provision that requires applicants seeking expedited reinstatement of licenses be residents of the state or prove they will be residents of the state when they practice the profession they are seeking licensure for. It also requires applicants to have been previously licensed in Arkansas.

Other bills addressing licensing, rules and professional certification stalled late in the session including **HB 1158, 1582, 1729, 1730 and 2001**.

### **Highway Funding**

This session produced a lot of ideas about highway funding. The issue of infrastructure, maintenance and improvement of state highways is an ongoing challenge for the state. The governor has appointed an interim task force to discuss infrastructure and funding needs.

**HB 1048** by Rep. Kim Hendren (Gravette) would have changed special fuel taxes to a percentage of the sales price and changed distribution of those revenues. This bill would have changed the off-road diesel tax back to a percentage tax (3 percent per dollar) instead of the current six cents per gallon. The bill was withdrawn and referred to interim committee.

**HB 1346** by Rep. Dan Douglas (Bentonville) would have allocated monthly any sales and use tax revenue from vehicle-related sales (parts, etc.) above \$2.2 billion to various entities for highway and road improvements. It was withdrawn after concerns were expressed about its budget

impact. Rep. Douglas also had a bill that would have added natural gas to the definition of alternative fuels for tax purposes and increased the per gallon tax on other alternative fuels. **HB 1703** failed on the House floor.

Rep. Grant Hodges (Rogers) was successful in passing **HB 1436 (Act 536)** which dedicates \$675,000 of the natural gas severance tax to a grant fund exclusively for grants to counties for damages resulting from trucks and other heavy machinery used in the extraction of natural gas.

**HB 1716** by Rep. Matt Pitsch (Fort Smith) would have authorizes the State Highway Commission to create a voluntary pilot program, named the Road-User Tax Program, to use in-vehicle technology to record highway miles driven and tax drivers 1.5 cents per mile driven on Arkansas highways. After being given a "do pass" recommendation from the House Transportation Committee, the bill was withdrawn from consideration by the sponsor.

Rep. Mary Prissy Hickerson (Texarkana) filed **HB 1781** which would have allowed the State Highway Commission to turn back to the counties highways that do not connect with other state highways, have an average daily traffic count of less than 2,000, and are used primarily for local traffic from the registry of state highways. The bill has been referred to the interim committee.

*\*The effective date for all bills that did not include an emergency clause is Wed., July 22.*

### **Constitutional Amendments for 2016 General Election Ballot**

**Senate Joint Resolution 16** by Sen. Jon Woods (Springdale) and Rep. Lance Eads (Springdale) removes the cap – currently five percent of the state budget – on super project general obligation bonds issued under **Amendment 82**. The legislature would have the power to determine the size of incentives offered to employers based on the impact of the project after a third-party analysis. The amendment would allow cities and municipalities to provide economic development infrastructure and services. It also would let cities and municipalities sell voter-approved bonds for infrastructure and incentives.

**Senate Joint Resolution 3** by Sen. Eddie Joe Williams (Cabot) allows the governor to maintain his or her powers when he or she leaves the state.

**House Joint Resolution 1027** by Rep. Jack Ladyman (Jonesboro) increases the terms of county judges, sheriffs, and other county officials from two years to four. It also allows the legislature to enact laws so that candidates are considered elected when they are the only ones that have filed for a particular office.



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