

LEGISLATIVE SUMMARY

87TH GENERAL ASSEMBLY 2009



ARKANSAS
STATE CHAMBER
OF COMMERCE



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INDUSTRIES OF
ARKANSAS**

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Business matters.

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DEAR STATE CHAMBER/AIA MEMBERS,

During the 87th Arkansas General Assembly, the State Chamber/AIA was successful in its role as the business community's voice before Arkansas's elected officials. While crafting the legislative agenda in the months prior to the session, our membership identified four priority issues in addition to the general issues we attend to during each session. We are pleased to report that we were able to accomplish all of the agenda's priority items while also working to pass or block general issue legislation in a manner that enhances Arkansas's economic climate.

Through the State Chamber/AIA's leadership and with the cooperation of several key legislators, we saved manufacturers millions of dollars with the passage of a further reduction in the sales tax they pay on energy costs. We also were successful in accomplishing the three other priorities of protecting; a) the education reforms passed in 2003-04, b) the legal reforms passed in 2003 and c) the workers' compensation reforms passed in 1993. Finally, we were successful on several other issues that impact the business climate, such as taxes, energy efficiency and climate change, unemployment insurance, protecting the popular vote election of the U.S. President, constitutional amendments to enhance economic development, immigration, animal cruelty and a statewide trauma system.

In late February we hosted our first Legislative Luncheon that was very successful. This event drew more than 300 guests including legislators, constitutional officers, legislative staff members, State Chamber/AIA board members, State Chamber/AIA Governmental Affairs Committee members, Leadership Arkansas Class III members and Leadership Arkansas Alumni. The event provided an excellent opportunity for legislators to network with members of the state's business community as well as an opportunity for business leaders to discuss issues with their legislators in a one-on-one setting.

We have prepared this 2009 Legislative Summary for you to use as a resource document. It provides more details on the priority issues, the remaining agenda issues on which we concentrated our lobbying activities, a report from our tax counsel, a complete list of all bills we tracked divided into groups of bills that passed and those that failed to become law, and other information of interest.

Thanks to all who read our Daily Legislative Updates and made contact with their legislators. Our efforts rely upon strong grass roots participation by our members.

Sincerely,

Kenneth R. Hall
Executive Vice President

Angela DeLille
Director of Governmental Affairs





I. LOBBYING SUMMARY

Prior to the 2009 legislative session, the State Chamber/AIA membership adopted as its top legislative priorities: to lead the effort to pass a sales tax exemption for energy used in industry and manufacturing, to protect the education reforms passed in 2003-04, to protect the legal reforms enacted by Act 649 of 2003 and to protect the workers' compensation reforms enacted by Act 796 of 1993. We are pleased to say that we were successful in all of these areas.

With the economy slowing, Governor Mike Beebe took a conservative approach to the state's budget and coordinated with legislative leaders to block tax exemption bills. However, the Governor maintained his priority to further extend the reduction in the sales tax on food. We worked with legislative leaders to plead our case for a further reduction in the sales tax paid by manufacturers on their energy costs and eventually prevailed. Only a couple other sales tax exemption bills became law.

There were a couple of bills filed that threatened to weaken the education reform measures we helped pass in 2003, but these bills were defeated in the Senate Education Committee.

We maintained a stand-down agreement with the Trial Lawyers Association and therefore only a couple of bills were pushed that attempted to address tort reform. One was easily defeated and another bill to help the nursing home industry was negotiated with the trial lawyers and passed.

Throughout 2008 we had regular meetings with leaders of the AFL-CIO to discuss workers' compensation legislation. Our meetings resulted in an agreed package of legislation, which made only minor adjustments to Arkansas's workers' compensation laws that continue to work well for employers and employees.

Tax Issues

To accomplish our goal of achieving a sales tax exemption for energy used by manufacturers, we balanced our analysis of this session's political environment with the desire of all manufacturing members of the State Chamber/AIA. First, we filed a bill that would have created an exemption for all fuels used by all manufacturers in Arkansas. However, it was very evident that such an exemption was not in the Governor's budget nor was there sufficient political will among legislators to pass such an exemption in 2009. We then shifted our focus to extending the 2 percent reduction we gained in 2007 on electricity and natural gas used by manufacturers in NAICS codes 31, 32 and 33. We worked closely with House Revenue and Taxation Committee Chairman John Lowrey, House Joint Budget Committee Chairman Bruce Maloch, Rep. David Dunn and Sen. Barbara Horn who negotiated with the Governor's office and helped build legislative support inside the Capitol. We also organized and managed a group of manufacturing lobbyists who worked to gain legislative support. Eventually we agreed upon a three-fourths percent reduction in the sales tax paid by manufacturers in NAICS codes 31-32-33 on their electricity and natural gas. Our agreement was contained in identical bills, HB 1624 and SB 875, which became Acts 691 and 695.

In addition to the sales tax reduction for manufacturing, we also produced a package of four additional tax bills and were able to pass two of them. Early in the session our Tax Committee developed a bill to clarify the exemption for machinery/equipment and tools/dies (SB 770), a taxpayer's bill of rights to address tax appeals (SB 769), a bill to extend the time period to carry net operating losses forward on income tax returns (HB 1911) and a bill to extend the time to claim rebates on local sales taxes paid in excess of old local caps (HB 1949).

All of these bills were held until the sales tax reduction for manufacturing was completed, which was in the latter weeks of the

session. The state Department of Finance and Administration (DFA) was strongly opposed to SB 769 and SB 770. We met with DFA two or three times trying to resolve our differences but got nowhere until we obtained a Do Pass recommendation from the Senate Revenue and Taxation Committee on the tax payer bill of rights, SB 769 by Sen. Larry Teague and Rep. Keith Ingram. Then we were able to negotiate an agreement with DFA on SB 769 that changed the standard of proof in tax appeal cases from beyond a reasonable doubt to clear and convincing evidence. SB 769 is now Act 755. We also reached an agreement with DFA on SB 770 that clarifies the existing exemption on dies and molds. SB 770 is now Act 1208.

HB 1911 by Rep. Keith Ingram and Sen. Larry Teague was an attempt to make Arkansas's income tax laws more consistent with most other states and the federal government. Currently Arkansas only allows net operating losses (NOL) to be carried forward for five years while the federal government allows 20 years and more than 80 percent of the states allow at least 10 years. Our bill would have extended the NOL period to 15 years and would not have impacted state revenue until fiscal year 2016. We were able to move the bill out of the House but it died the last week of the session in the Senate Revenue and Taxation Committee, which was killing all remaining tax bills that had a negative impact on state revenue.

DFA did not oppose our bill to extend the rebate time for businesses to recover local sales taxes paid above old local caps but mayors and county judges stopped HB 1949 by Rep. Davy Carter on the House floor.

Our Tax Committee also agreed to endorse HB 1060 by Rep. Tracy Pennartz that would have established an investment tax credit for the rehabilitation and development of central business improvement districts. It also failed to gain support from the Senate Revenue and Taxation Committee the last week of the session and was referred to interim study. Finally, in the last days of the session Rep. Ed Garner pushed HB



FURTHER REDUCING THE SALES TAX MANUFACTURERS PAY ON UTILITY COSTS – Governor Mike Beebe signs into law Acts 691 and 695, which further reduced the rate of the excise tax on utilities used by manufacturers from 4 percent to 3.25 percent effective July 1, 2009. Passage of the legislation was a priority for the State Chamber/AIA during the 87th General Assembly. Looking on behind Beebe are (front row left to right) George Wheatley, Rep. David Dunn (D – Forrest City), Sen. Jimmy Jeffress (D-Crosssett), Kenny Hall, Sen. Barbara Horn (D-Foreman), Angela DeLille, Gary Sams and Tammy Waters, and (back row left to right) Randy Lann, Randy Wilbourn, Rick Heis, Randy Zook, Steve Cousins, Johns Suskie, an unidentified individual and Benny Baker.



1947 out of the House but joined the many bills that failed in the last week to gain support from the Senate Revenue and Taxation Committee. This bill would have created The Arkansas Capital Gains Reduction Act of 2009. It was also referred to interim study. This is a tax issue that the State Chamber/AIA Tax Committee should look into prior to the next legislative session.

Workers' Compensation

HB 1362 by Rep. Mike Burris, Rep. Rick Green, Sen. Jerry Taylor and Sen. Joyce Elliott contained the agreement negotiated between the State Chamber/AIA and the AFL-CIO on workers' compensation issues. This bill simply exempted workers' individual disability policies that they paid for from the workers' compensation benefit offset requirements, clarified the responsibility for second injury claims, allowed certain claims to move from the Second Injury Trust Fund to the Death and Permanent Disability Trust Fund and strengthened the proof of insurance requirements for certain contractors. We ran into some unexpected opposition from legislators responding to concerns by small contractors and had some legislative drafting issues that complicated the contractor issue even more. However, we worked with the labor leaders and legislators as well as kept constant grass roots pressure on legislators to honor the negotiated agreement between the State Chamber/AIA and the AFL-CIO. The bill eventually passed and is now Act 327.

During the session, about a half dozen workers' compensation bills were filed in addition to our agreed bill. Four were held or withdrawn in honor of the agreement between the State Chamber/AIA and the AFL-CIO. The other two passed. One was a simple attempt to deal with volunteer firefighter's training, SB 872, which also expanded workers' compensation coverage to include volunteers who do not fight fires. The State Chamber/AIA and AFL-CIO testified against the bill in the Senate Committee but it was obvious the legislature did not see this bill having a strong impact on the overall workers' compensation system. It is now Act 808.

Rep. John Edwards filed HB 1403, the Uniform Emergency Volunteer Health Practitioners Act. This bill was designed to help Arkansas attract medical professionals to assist in the case of an extreme emergency. After the bill was filed, the State Chamber/AIA and the AFL-CIO studied the bill and determined that it would provide a positive impact on the quality of life for all Arkansans and amended our agreement to include HB 1403, which is now Act 432. This bill will allow out-of-state medical providers to be declared state employees for the purpose of receiving Arkansas workers' compensation benefits if they are injured while working in Arkansas. The state of Arkansas's workers' compensation trust fund agreed to accept such claims, which facilitated management and labor's ability to include this bill in our agreement.

Energy Efficiency and Climate Change

As the bill filing deadline approached in early March, most of the bills related to energy efficiency, climate change and other issues arising from the Global Warming Commission were filed. The State Chamber/AIA Task Force on Energy identified about 30 bills related to these issues but only seven required opposition. Of the bills that we were either neutral on or favored, about 10 became law. Our opposition efforts focused on two bills, HB 1851 by Rep. Kathy Webb and HB 1903 by Rep. Joan Cash. We worked with a large coalition of our industrial and utility members to stop these two bills. HB 1903 would have required electric utilities to achieve energy efficiency recommendations by 2013 but would have allowed the utilities to pass the cost of the programs on to rate payers. Our estimates were that these programs could cost Arkansas rate payers as much as \$72 million per year. HB 1851 would have required Arkansas's public utilities to purchase at least 2 percent of their energy from renewable electric generation facilities. Our information indicated that such purchases could cost between 20 cents and 50 cents per

kilowatt hour while we currently pay about 7 cents per kilowatt hour. We opposed both of these bills because of their cost impact on our member businesses. HB 1903 was pulled down by the sponsor without a vote and HB 1851 did not receive approval from the House Insurance and Commerce Committee.

We also applied grass roots pressure and worked with a coalition of organizations and businesses to defeat HB 1968 by Rep. Kathy Webb. We feared this bill would have created a chilling effect upon people's willingness to serve the state through participation in boards and commissions that address the environment or any other issue by expanding the conflict of interest laws including an impact on family members and the addition of criminal enforcement. We believe that many people participate on boards and commissions because of their expertise and experience, and we could see this bill causing such expertise to go away.

Unemployment Insurance

Five members of the State Chamber/AIA Unemployment Insurance Committee including the co-chairs of the committee and the organizations' Executive Vice President participate in the ESD Advisory Council, which also includes five representatives of the AFL-CIO and three consumers. This Advisory Council meets quarterly to discuss issues related to the state's unemployment insurance (UI) system and also negotiates legislative issues. The economic downturn had a dramatic impact on the state's Unemployment Insurance Benefit Trust Fund, which became depleted in March. Department of Workforce Services staff estimates the Trust Fund will have a shortfall of at least \$300 million in 2009 and likely again in 2010. The state started receiving federal cash advances in March that are interest-free through 2010. The fund and its loans are the responsibility of businesses in Arkansas.

To meet the financial needs of the trust fund, we agreed to a \$2,000 increase in the taxable wage base effective Jan. 1, 2010. Additionally, we secured labor's support when they agreed to allow discharges to be treated in the same manner as quits. The change in the wage base will cost employers about \$50 per employee per year on average and will generate about \$46 million in additional benefit funding per year. The change labor agreed to will save the fund about \$25 million each year.

The agreement supported by management and labor was filed as SB 429 by Sen. Tracy Steele and is now Act 802. This bill also makes changes to our UI system to qualify for federal stimulus dollars. Arkansas will receive \$59.9 million from the stimulus package, which will go into our trust fund to defray benefit costs associated with the required federal changes. The federal dollars are expected to cover the additional cost to our UI system from the changes for about six to eight years. The agreed bill also had six sections of technical corrections and changes.

Popular Vote for U.S. President

HB 1339 by Rep. Eddie Cooper and Sen. Terry Smith would have assigned Arkansas's presidential electors to the winner of the national popular vote rather than the winner of the popular vote in Arkansas. A similar bill had failed to move in past sessions but to our surprise this bill made it out of the House. We applied heavy grass roots pressure to this bill, which was never brought up for a vote in the Senate State Agencies and Governmental Affairs Committee. The State Chamber/AIA strongly opposes any attempt to remove Arkansas from the Electoral College and we will make our opposition a priority issue for future legislative sessions.

Healthcare

The State Chamber/AIA worked with the Arkansas Employers Healthcare Coalition (AECH) on a few healthcare-related issues in this session. In the first half of the session, the big issue was pharmacy benefit management (PBM). SB 460 by Sen. Percy Malone and HB 1601 by Rep. Allen Maxwell were bills that garnered our attention but were less



troublesome than PBM legislation filed in previous sessions. Eventually a deal was struck on SB 460 which is now Act 769.

Late in the session, our attention was drawn to three bills that would have mandated coverage for autism (SB 913), hearing aids (HB 1930), and reconstructive surgery (SB 940). We applied grass roots pressure to these bills while coordinating with members of the AEHC who were conducting in-capitol lobbying and working with each bill's sponsor. Our opposition to all of these bills was based upon the fact that all would increase healthcare costs. The reconstructive surgery bill was never considered in committee, the hearing-aid bill was amended from mandating coverage to being a mandated offering and the autism bill cleared the Senate but failed to gain approval from the House Insurance and Commerce Committee where the sponsor pulled the bill down and referred it to interim study.

Constitutional Amendments

Each legislative session the legislature can refer up to three proposed amendments to the state Constitution. During the 87th General Assembly there were about 25 proposals filed by legislators and the State Chamber/AIA supported four, HJR 1003 by Rep. Bruce Maloch, HJR 1004 by Rep. Eddie Cheatham, HJR 1007 by House Speaker Robbie Wills and SJR 6 by Sen. Shane Broadway.

HJR 1007 would modify Amendment 82, the Super-Project Amendment, to make it more broadly applicable to projects in more areas and allow Arkansas to better compete with neighboring states for new businesses. Specifically, it would remove the investment and employment limits (currently \$500 million in capital and 500 new employees), as well as the upper limit on the amount of bonds issued, for funding economic development projects. The Governor and the General Assembly would maintain control of which projects would be considered. HJR 1003 would remove the interest rate limits on bonds issued by governmental units and loans made to governmental units. This pro-economic development proposal would also help student loans. HJR 1004 would make the same changes in interest rate limits as HJR 1003. In addition, it would adjust interest rate limits to assist businesses that make consumer loans. SJR 6 was originally filed to make savings from performance-based efficiency projects revenue under the revenue bond statutes.

At their first joint meeting, the House and Senate State Agencies Committees voted to refer SJR 3 by Sen. Steve Faris to the 2010 General Election ballot. This would establish a state constitutional right to hunt and fish. Then, the committees voted to refer HJR 1007 to the ballot. Both of these joint resolutions were then adopted by the full House and Senate. Meanwhile there was quite a bit of work done by the legislature and many interests on the third and final ballot referral. Eventually the original proposals of HJR 1003, HJR 1004 and SJR 6 were all blended into HJR 1004, which received the approval of both chambers and will be on the November 2010 ballot. The State Chamber/AIA will form a coalition to support passage of HJR 1007 and HJR 1004.

Immigration

In the interim period between the 2007 and 2009 sessions, there was much discussion about immigration legislation coming up in the 87th General Assembly. However, it turned out that there were fewer than a half dozen bills filed. The most notable immigration bill was HB 1093 by Rep. Bill Sample. We joined with the Farm Bureau and the Poultry Federation in reviewing this bill and found it to be similar to legislation adopted in Oklahoma that was strongly opposed by similar interests as ours. Representatives of these three organizations met with Rep. Sample to discuss our concerns and Rep. Sample was very receptive to our comments. The bill was never brought up for consideration. Our organizational position is that immigration is a federal issue.

Tort Reform and Education

As mentioned in the opening comments to this summary, we monitored all legislation to identify attempts to weaken the civil justice and education reforms we helped pass in 2003 and 2004. Only three bills required any effort and all three were defeated.

Animal Cruelty

Agriculture's strong impact on the Arkansas economy has put the State Chamber/AIA in the middle of battles over animal cruelty legislation in previous legislative sessions. However, prior to this session representatives of the Attorney General's office, the Farm Bureau, the Poultry Federation and multiple animal rights groups worked out differences and Attorney General Dustin McDaniel presented an agreed bill, SB 77 by Sen. Sue Madison and Rep. Pam Adcock, at a press conference the first week of the session. The State Chamber/AIA endorsed the agreement and participated in the press conference. SB 77 is now Act 33.

Trauma System

In our legislative agenda we indicated support for the development of a trauma system in Arkansas. We identified the bills that formed this system and kept our members apprised of their development and eventual passage. We also expressed an opinion directly to the members of the General Assembly about the three funding options they proposed. We opposed the use of insurance premium tax dollars to fund the system and were neutral on the tobacco tax increase and increases in certain fines.



*Kenneth R. Hall
Executive Vice President
Arkansas State
Chamber of Commerce/
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of Arkansas*

Kenneth R. Hall joined the Arkansas State Chamber of Commerce and Associated Industries of Arkansas as vice president for governmental affairs in September 1998. He was named Executive Vice President in May 2006. As chief lobbyist for the organizations, he represents the positions of the two organizations on issues related to, and focusing on, the enhancement of a quality business climate in Arkansas before various government entities, including the legislature, the governor's office, various state agencies, committees and boards and the Arkansas congressional delegation.

Kenny helps develop and implement State Chamber/AIA legislative strategies and is responsible for enlisting support for these goals. He coordinates the activities of the State Chamber/AIA legislative committees on workers' compensation, unemployment insurance & HR, health, education, and taxes.

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II. TAX UPDATE

The 87th General Assembly - 2009 Regular Session convened January 12, 2009, and adjourned on May 1, 2009. Notwithstanding the current dismal economic conditions, it has been observed that Arkansas may be the only state in the union to adopt significant tax reductions in 2009, in the form of the reduced rates for groceries and for electricity and natural gas used in manufacturing, both taking effect July 1, 2009. These were balanced by major increases in tobacco taxes to fund healthcare policy initiatives, and selective tightening and expanding of economic development incentives. Several other changes of interest to business and industry were adopted, including procedural changes that should "level the playing field" for taxpayers that are forced into tax litigation. More than 50 other tax acts of varying scope were also adopted.

The following summaries are taken in part from descriptions compiled by the Office of Revenue Legal Counsel, with appreciation for use of these materials. Unless a specific date is noted, new acts are effective 90 days following adjournment (July 31, 2009), and in the case of income tax acts, apply to tax years beginning on or after January 1, 2009.

A. INCOME TAX

Act 211

Creates a check-off for individual income tax filers to designate a portion or all of their state income tax refund to be contributed to an Arkansas Tax Deferred Tuition Savings Program account. The program is a Section 529 tuition savings trust fund.

Act. 237

Amends Arkansas law to define the diagnosis of developmental disability.

Act 238 (2/25/09)

Amends Ark. Code Ann. § 26-18-306 to extend the statute of limitations to file a claim for refund of income tax paid based on a claim for exemption for military disability pay to one year after the determination is made by the Secretary of Veterans Affairs.

Act 360 (7/1/09)

Redefines "noncompliant taxpayer" for purposes of business closure authority to include businesses that do not file employee withholding returns for two months during a 24-month period.

Act 372

Updates the reference dates for portions of the Internal Revenue Code adopted by reference to reflect technical changes since the last legislative session. Also adopts certain additional provisions by reference and makes the following technical changes to the Arkansas Income Tax laws:

- Extends the reporting date to April 15 for pass-through entities to report their distributions to shareholders;
- Amends Arkansas law related to annuities, retirement savings, and employee benefit plans to adopt recent federal changes related to benefits paid to active military personnel and veterans;
- Amends Arkansas law regarding limitations on deductions arising from certain leasing transactions;
- Amends Arkansas law regarding employee benefits excluded from gross income to include qualified transportation fringe benefits;
- Amends Arkansas law regarding allowable deductions for expenses incurred in conducting a business or trade to limit the deductible amount of executive compensation of a company participating in the troubled asset relief program;
- Amends Arkansas law regarding allowable deductions for the costs paid for the clean-up of certain hazardous substances to extend the deduction for expenses paid prior to January 1, 2010;

- Amends Arkansas law regarding the exclusion from gross income of gain resulting from an involuntary conversion of a taxpayer's property to allow an exclusion for an involuntary conversion as a result of a "federally declared disaster".
- Denies the dividends paid deduction to captive real estate investment trusts (REITs).
- Amends current Arkansas law to provide that political organizations that are exempt from filing a federal income tax return because they have no taxable income shall also be exempt from filing an Arkansas income tax return.

Act 373

- Establishes a definite period of time for a taxpayer to file an amended return following the receipt of notice by the Internal Revenue Service (IRS) of a correction that results in an overpayment of state tax ;
- Clarifies under what conditions and for what period of time following an IRS correction notice that the Department of Finance may assess additional tax to the taxpayer that results from the IRS correction; and
- Clarifies that neither assessment nor refund applies if the change in taxable income involves an issue or a tax year not included in the notice and the time is more than 3 years from the time the original return was filed or 2 years from the time the tax was paid.

Act 425 (7/1/09)

Exempts from income tax the lump-sum benefits paid to an active member of the Arkansas Teacher Retirement System who dies in service before retirement.

Act 713

Authorizes DFA to set off a taxpayer's state income tax refunds to satisfy a past-due and legally enforceable debt to the Internal Revenue Service and creates a procedure for a taxpayer to request relief when a joint return is subject to setoff.

Act 1323 (7/1/09)

Clarifies that the lump-sum payment to designated survivors of certain deceased members of the Arkansas Teacher Retirement System is exempt from income tax.

Act 1500 (Contingent)

Provides an income tax credit equal to 20 percent of the purchase price of a cigarette receptacle that is purchased by a business with 50 or fewer employees and placed in service during the taxable year. This credit may be claimed only once by the taxpayer. The Act is also contingent on an unusual provision to the effect that it will only be available if the Chief Fiscal Officer of the State certifies that sufficient revenues are available from other funding sources to replace the general revenue cost of the program.

B. LEGAL AND PROCEDURAL

Act 272

Exempts from confidentiality and allows disclosure of whether a taxpayer has filed state tax returns for the four years prior to the filing of the bankruptcy petition to standing chapter 13 bankruptcy trustees.

Act 504

Waives the confidentiality of tax records to allow the Department of Finance and Administration and the Department of Workforce Services to share information regarding withholding tax information and unemployment insurance contribution information, respectively.

Act 655

Makes formatting and clarifying changes to Title 26 of the Arkansas Code.

**Act 755 (4/1/09)**

Changes the standard of proof for a tax exemption, deduction, or credit to clear and convincing evidence and provides that a presumption of correctness will not attach to a determination of the director in an appeal to circuit court.

Act 814

Amends various code sections related to service of process on business entities. One significant change concerns service of process on certain entities that either have not appointed custodians or agents for service of process or no longer have custodians or agents for service of process. The act allows the plaintiff to serve the entity directly by registered or certified mail rather than to serve the Secretary of State.

Act 1182

Amends the procedures regarding subpoenas issued by certain boards and commissions that issue licenses.

Act 1209

Allows a clerk to scan a judgment and save it on a searchable electronic system in-lieu-of maintaining a judgment book.

Act 1302

Requires every state agency to publish on the Internet at www.arkansas.gov not less than three days prior to a meeting or hearing the date, time and location of all meetings and hearings that are open to the public.

C. MISCELLANEOUS TAXES**Act 294 (3/3/09)**

Increases various permit fees for the licensed manufacture, sale and distribution of alcoholic beverages; provides changes for the hours of operation that are allowed for permitted businesses; creates temporary permits for sales of alcoholic beverages and creates certain new permit types; increases certain permit fees; and amends penalty provisions related to alcoholic beverages.

Acts 605 and 606 (3/25/2009)

Create the Arkansas Scholarship Lottery.

Act 737

Exempts woody biomass grown for use in biofuel production from the severance tax. Currently, severance taxes on timber are levied based on weight of the timber at the last time the timber is weighed prior to undergoing first processing and are reported by the primary processor. Conversion factors based on type of wood product are provided for the timber if it is unable to be weighed prior to processing.

D. SALES, USE AND OTHER EXCISE TAXES**Act 145**

Changes the due date of the natural gas severance tax report to the 25th day of the **second** month following the month covered by the report. Both producers and purchasers of natural gas are required to file reports, provided that a purchaser is not liable for the tax if the gas is purchased from a licensed producer and the purchaser files a report containing required information, including the name and permit number of each licensed producer from whom the purchaser purchased gas.

Act 180 (3/1/09)

Increases the tax rate on cigarettes by fifty-six cents (56¢) per package of 20 cigarettes from 59¢ per package to \$1.15 per package;

Increases the tax rate for other tobacco products (excluding cigarettes and moist snuff) by nineteen percent (19 percent) from 32 percent to 51 percent of the manufacturer's selling price to the wholesaler;

Provides for a stamp deputy allowance to be paid to cigarette wholesale distributors in the amount of three percent of the total aggregate cigarette tax collected.

Act 298

Allows a county to delay the effective date of a sales and use tax levy for up to 36 months beyond what is allowed under current law. The effective date must be stated in the ordinance levying the tax and must occur on the first day of the first month of a calendar quarter. This applies only to taxes levied under Title 26, Chapter 74, Subchapters 2 and 3.

Act 382

Allows a city that levied a local sales and use tax to extend the expiration date of the tax. The city must refer the change in the expiration date to the voters. If the extension is approved by the voters, the city must notify DFA of the new expiration date at least 90 days before the current expiration date and after publication of the proclamation of the election results. A proposed expiration date must be the last day of the last month of a calendar quarter. If the voters do not approve the change, the original expiration date for the tax levy will continue in effect.

Act 383

Same provisions as described with respect to Act 382 (above) also apply to counties.

Act 384 (3/10/09)

Amends sales and use 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.

Act 436 (7/1/09)

Reduces the state sales and use tax rate on food and food ingredients from the existing 3 percent rate to a 2 percent rate beginning July 1, 2009. The 2 percent rate consists of the reduced statutory levy of 1.875 percent plus the constitutional levy of .125 percent, which continues to apply. City and county local sales taxes will continue to be collected on food and food ingredients.

Act 499 (3/24/09)

Reduces the rate of excise tax on the sale of a bingo face by a licensed distributor to three-tenths of one cent (.003) and repeals the excise tax at the rate of 10 percent on the sale of bingo equipment. The act also increases the prize limit that can be given away in a one-time raffle for a cash prize to \$5,000 from the current \$500.

Act 682 (10/1/09)

Repeals the requirement for displaying a decal on heavy equipment as proof that sales and use taxes have been paid, and substitutes a requirement that heavy equipment dealers file a quarterly report listing sales of equipment that are exempt.

Acts 691 & 695 (7/1/09)

Reduces the state sales tax rate on natural gas and electricity used in a manufacturing process from the previous 4 percent rate to 3.25 percent. The 3.25 percent rate consists of a reduced statutory levy of 3.125 percent plus the constitutional levy of .125 percent, which continues to apply. The act provides that the total tax savings for eligible manufacturers will be capped at twenty seven million dollars (\$27,000,000) per fiscal year.

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When the revenue loss approaches this threshold, DFA is required to suspend any further processing of refund requests for the remainder of the fiscal year. Those taxpayers who did not receive refunds will be first to receive a refund in the next fiscal year.

Act 975 (7/1/09)

Exempts the purchase of thermal imaging equipment purchased by a county government for use by law enforcement aircraft from sales and use tax.

Act 840

Amends certain local tax code provisions to allow tax collected on aviation fuel levied by a county or a city to be remitted directly to a publicly owned airport where the aviation fuel was sold.

Act 940 (4/6/09)

Allows a city or incorporated town to tax sales of cigarettes at the same rate as an Arkansas border city if the corporate limits of the city or incorporated town adjoin the corporate limits of the Arkansas border city (i.e. a border city of a border city). An "Arkansas border city" is a city that is entitled to the border zone cigarette tax rate and is separated by a navigable river from a city in the other state that is located in a metropolitan statistical area designated by the U.S. Census Bureau with a population of at least one million.

Act 941 (10/1/09)

Provides a rebate of the local tax paid on amounts in excess of \$2,500 on the purchase of a trailer.

Act 957

Allows a municipality to delay the effective date of a sales and use tax levied under Subchapters 2 and 3 of Title 26, Chapter 75 for 36 months after the effective date provided in current law. The delayed effective date must be stated in the levying ordinance or petition.

Act 1176 (10/1/09)

Exempts the Arkansas Search Dog Association, Inc. from sales and use tax.

Act 1205 (4/7/09)

Exempts the sale of raw products that are produced and sold by the producer at a farmer's market from sales tax.

Act 1208 (4/7/09)

Clarifies or expands current sales and use tax code provisions related to the exemptions granted to manufacturers for machinery and equipment used directly in the manufacturing process to include:

Molds, frames, cavities, and forms that determine the physical characteristics of the finished product;

Dies, tools, and devices attached to or a part of machinery that determine the physical characteristics of the finished product or its packaging; and

Testing equipment that measures the quality of the finished product at any stage of the manufacturing process.

Act 1274 (7/1/11)

Repeals the tax on mini warehouse and self storage rental services effective July 1, 2011. The services remain taxable until July 1, 2011.

Act 1405 (4/9/09)

Provides for the closure of any retailer that fails to timely remit lottery proceeds three times within a consecutive 24-month period, by direction from the Director of the Arkansas Lottery Commission to the DFA Director.

Act 1459

Allows a small brewery to obtain an ABC license and make retail sales of its beer and beer of other small breweries.

E. PROPERTY TAXES

Act 151 (1/1/08)

Provides that the homestead of a person who is disabled or at least 65 years of age is assessed property tax on the lower of the assessed value of the property at the time the taxpayer qualified for the property tax relief under Amendment 79, or at a later assessment date.

Act 276

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.

Act 277 (2010 and after)

Provides that for property tax purposes tangible personal property is to be assessed at its market value as of January 1 of the year of assessment, or if acquired from January 2 through May 31 on the date of acquisition.

Act 278 (2010 and after)

Deletes personal property from the requirement that property tax taxpayers receive notice of original valuations of newly constructed real property on or before July 1 of the assessment year.

Act 400

Requires the Commissioner of State Lands to transmit to each county, from the proceeds of a sale of tax-delinquent land, an amount equal to the delinquent personal property taxes, plus penalty, owed by the owners of the land.

Act 421

Provides that a nonproducing mineral right has zero value for property tax assessment purposes.

Act 555

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 or used in a business.

F. TAX CREDITS AND INCENTIVES

Act 349 (3/10/09 effective for income tax years beginning 1/1/09)

Amends the Delta Geotourism Incentive Act to expand the opportunities to claim a geotourism tax credit, allows transfer of the credit and allows carry-forward of unused credits for up to five years.

Act 351

Amends the income tax credit for the restoration of wetlands and riparian zones to include the donation of wetlands and riparian zones for conservation, and sets the credit at 50 percent of the appraised value, not to exceed \$50,000. The combined tax credit allowed per tax year is limited to the lesser of the income tax due or \$5,000 and any unused tax credit may be carried forward for nine tax years. Arkansas Soil and Water Conservation Commission must approve taxpayer participation and issue certification which will be attached to taxpayer's income tax return.

Act 498

Provides an Arkansas historic rehabilitation income tax credit equal to 25 percent of the total qualified rehabilitation expenses up to the first \$500,000 for income producing property or \$100,000 for non-income producing property. Arkansas Heritage will issue the tax credit and is limited to issuing \$4 million per fiscal year. A holder of the tax credit may offset 100 percent of the holder's income or premium tax liability and any unused tax credit may be carried forward five tax years. A holder may transfer, sell or assign part or all of the remaining tax credit any number of times within the 5 year carry-forward period. The owner or holder of the tax credit shall perfect the transfer by notifying Arkansas Heritage and appropriate tax authority within 30 days of transfer.

**Act 625**

Amends the Consolidated Incentive Act of 2003 to provide that businesses participating in an incentive agreement that provides for payroll-based rebate incentives must file for benefits on an annual basis. If a business fails to file for the benefits within twelve (12) months from the end of the tax year in which the rebate was earned, the rebate amount will be reduced 10 percent. A business that fails to file its claim within 24 months from the end of the tax year in which the rebate was earned will forfeit 100 percent of the rebate amount.

Act 672 (3/31/09)

Extends the deadline from April 1, 2009 to April 1, 2011 for the Arkansas Economic Development Commission to designate a lodging facility as an approved company for purposes of undertaking a tourism attraction project and qualifying for a sales tax credit provided to a qualified tourism attraction.

Act 716

Repeals the Biotechnology Development and Training Act, Ark. Code Ann. § 2-8-101 et seq. and the Arkansas Emerging Technology Development Act, Ark. Code Ann. § 15-4-2101 et seq. and amends various provisions of the Consolidated Incentive Act, as follows:

- Amends the definition for "average hourly wage" to simplify the computation;
- Provides that incentives granted for "in-house research" may include contractual agreements with colleges, universities and other research organizations;
- Provides clarifying definitions and language for eligible "regional corporate headquarters" and requires the region to include Arkansas and at least one contiguous state;
- Requires businesses qualifying for job-creation tax credits to pay wages that must be equal to or greater than the lowest county average hourly wage in Arkansas;
- Reduces the required minimum equity investment to \$250,000 from \$400,000 for qualifying targeted businesses eligible for sales tax refunds and special payroll incentives; and
- Provides that companies may no longer combine benefits for the same project that can be received under the Advantage Arkansas job creation income tax credit program and the Create Rebate payroll rebate program, or for the ArkPlus income tax credit program and the TaxBack sales and use tax refund program.

Act 736 (tax years beginning on or after 1/1/08)

Amends the income tax incentives for windmill blade and windmill component manufacturers as follows:

- Changes the time within which the \$150-million-dollar expenditure must occur from four to six years of signing an agreement with Arkansas Economic Development Commission (AEDC) in order for the manufacturer to be exempt from income tax until 12-31-2033;
- Repeals the requirement that the manufacturer hire a minimum of 500 employees in the state within two years of signing the agreement with AEDC, and changes the time within which the manufacturer must hire a minimum of 1,000 employees from four to six years of signing an agreement with AEDC in order to qualify for the income tax exemption expiring 12-31-2033; and
- Adds an additional income tax exemption for a windmill blade or windmill component manufacturer that locates in the state after 1-1-08 (for which an incentive agreement was signed with AEDC after 1-1-08) that employs a formula (using investment, job creation, tier status, and wage factors) to determine the number of years of income tax exemption entitlement.

Act 795

Amends the Nonprofit Incentive Act to include additional definitions for qualifying nonprofit organizations [§ 501(c)(6) and § 501(c)(9)];

reduces the payroll threshold from \$1 million to \$500,000; and reduces the Sales and Use tax refund expenditure threshold from \$500,000 to \$250,000.

Act 816 (4/3/09)

Repeals the Motion Picture Incentive Act of 1997, Ark. Code Ann. § 2-8-101 et seq. and establishes a new incentive program, the Digital Product and Motion Picture Industry Development Act of 2009 to promote the film industry in Arkansas. The program will provide the following incentives and rebates:

- A rebate of 15 percent on all qualified production costs in connection with the production of a state-certified film project;
- A rebate of 15 percent on all qualified production costs in connection with the post-production of a state-certified film project; and
- A rebate of 10 percent for the payroll of certain employees involved with the motion picture production. Actors, directors, producers and writers are specifically excluded from this provision.
- The rebates provided in this act will expire June 30, 2019.

Act 1192

Increases the proximity within which a geotourism supporting business must exist from five to 30 miles of a national scenic byway.



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Mike Parker is co-author of the American Bar Association's annual Sales and Use Tax Desk Book, is a regular contributor to the ABA's State and Local Tax Lawyer and the Council on State Taxation's (COST's) Audit Session Notebooks, is a frequent speaker on state and local tax issues, and is listed in Best Lawyers in America - Tax (2007). Mr. Parker is a member of the Board of Directors of the Arkansas State Chamber of Commerce/Associated Industries of Arkansas and serves as special tax counsel for the organizations.

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III. ECONOMIC DEVELOPMENT RELATED LEGISLATION

AEDC Initiated Legislation

Act 643

Amendment to the Agriculture Foreign Investment Act

Specifies conditions under which agricultural land acquired by a foreign party must be registered with the Secretary of State. The amendment to the act, which is retroactive to the date of the original enactment, clarifies that only land purchased by a foreign entity for agricultural purposes shall be required to register. Rep. Brown. HB 2029. No emergency clause.

Act 716

Consolidated Incentive Act

Several changes were made to this act, which contains our general, statutory incentives: 1) repeals the old Biotechnology Development Act and the Emerging Technology Development Act; 2) makes changes to streamline the application process for some Tax Back awards; 3) changes the wording for definitions of "average hourly wage" and "in-house research"; 4) provides consistent treatment of the use of tax credits earned for R&D expenditures; 5) disallows use of Create Rebate and Advantage Arkansas on the same project; 6) disallows use of Tax Back and ArkPlus for the same expenditure; 7) establishes a wage threshold for Advantage Arkansas equal to the lowest county average wage for the preceding year; 8) lowers the equity investment requirement of targeted businesses from \$400,000 to \$250,000; and 9) makes other technical corrections. Rep. Dunn. HB 2081. No emergency clause.

Act 736

Windmill incentives

In addition to extending the time frames for LM Glasfiber to reach its investment and employment thresholds, this act also provides a formula for determining the number of years of corporate income tax exemption for subsequent wind energy companies. The formula contains four variables: investment, wages, employment and location. Weighted more heavily than the other two are wages and employment. In no case can a windmill company's corporate income tax exemption exceed 25 years. Rep. Webb. HB 2230. No emergency clause.

Act 737

Severance tax on energy crops

Provides that biomass grown for the purpose of biofuels production is not subject to the severance tax. This act is focused on biomass used specifically for biofuels production. Rep. Maxwell. HB 2256. No emergency clause.

Act 795

Nonprofit Incentive Act

Reduces the thresholds for qualifying for benefits under this act. The payroll threshold was lowered from \$1 million in new payroll to \$500,000 in new payroll. The threshold for investment was also lowered from \$500,000 to \$250,000. The act also specifies that businesses with an IRS code of 501(c)(3), (6) or (9) are eligible for this incentive. Rep. Webb. HB 2076. No emergency clause.

Act 816

Digital Product and Motion Picture Industry Development Act of 2009

Repeals the Motion Picture Incentive Act of 1997 and establishes new incentive legislation that provides a 15 percent rebate on qualified expenditures incurred in Arkansas. In addition, the new act provides a 10 percent rebate on Arkansas "below the line" talent hired for the production. To qualify, a production company must spend at least \$50,000 in a six-month period. Rep. Saunders. HB1939. Emergency clause – Effective on July 1, 2009.

Act 967

Technology Acceleration Fund

New fund mirrors the Governor's Quick Action Closing Fund. Three agencies (AEDC, ADFA and ASTA), with consultation by Accelerate Arkansas, will jointly recommend technology oriented projects for funding to the Governor, who will control the fund. Thirty million dollars has been appropriated for this fund, but funding will be released on a case-by-case basis by the Governor. Sen. Broadway. SB 920. No emergency clause.

Act 1196

Energy Code Enforcement

Specifies that any Arkansas city that issues building permits will be responsible for enforcement of the 2004 Arkansas Energy Code. There are several permissible means of enforcement, including builder certification, on-site inspection, third-party inspection, etc. The act also adds to the Petroleum Set-Aside law a provision that allows the Arkansas Energy Office to allocate aviation fuel (in addition to other petroleum products) in a Governor declared energy emergency. Rep. Webb. HB 2260. No emergency clause.

Act 1222

Minority Business

In addition to making substantial formatting changes in the Arkansas Code, this act addresses the more substantive issue of requiring all state agencies to submit an annual plan describing how the agency intends to address its minority purchasing target. This provision was inadvertently removed by the Code Revision Committee and it needed to be reinstated. Sen. Steele. SB 1005. No emergency clause.

HJR 1007

Changes to Amendment 82

HJR 1007 is to be referred to the voters at the November 2010 general election. This amendment to the current Amendment 82 would remove the \$500-million investment threshold and the 500-employee threshold in order to qualify for state supported general obligation bonds to assist a project. Rep. Wills.

General Economic Development Related Legislation

Act 349

Geotourism tax credit

Allows for a transfer of the geotourism tax credit and a five-year carry-forward period. This bill amends the original 2007 act that creates a tax credit against income taxes for investments made in tourism-related projects in economically depressed areas. Rep. Moore. HB 1471. Emergency Clause – Approval date of 3/10/2009.

Act 463

Post-doc grants

Establishes a post-doctoral science and engineering grant program to be administered by ASTA. Creates an ASTA-administered program that provides grants to targeted businesses (§15-4-2703(43)(A)) hiring post-doctoral science and engineering graduates. Minimum wage requirements apply. Grants, for five-year periods, are based upon business payroll amounts as follows:

Grant Amount	Payroll (at least)	Payroll (maximum)
\$35,000	\$10,000,000	n/a
\$52,000	\$5,000,000	\$10,000,000
\$70,000	\$1,000,000	\$5,000,000
\$87,500	N/A	\$1,000,000

Rep. Wills. H.B. 1962. No emergency clause.

**Act 529*****Allows a planning and development district to incorporate as a public corporation***

Permits a municipality to allow a planning and development district that has filed as a public corporation to represent the municipality in pursuing a project. The bill requires that the municipality, by ordinance, recognize a public corporation and also provides for dissolution of the public corporation representing the municipality; Rep. Reep. HB 1705. No emergency clause.

Act 625***(CIA)***

Amends the Consolidated Incentive Act to require eligible businesses to claim Create Rebate payments annually; provide reduction on rebate if not claimed within 12 months and forfeiture if not claimed within 24 months. Companies not claiming earned create rebates annually shall incur a 10 percent reduction on the earned rebate if not claimed within 12 months from the end of the tax year in which the rebate was earned and 100 percent forfeiture of rebate if not claimed within 24 months from the end of the tax years in which the rebate was earned. Prior language stated only that failure to certify payroll thresholds annually may result in a denial of payment. Rep. Dunn. H.B. 1625. No emergency clause.

Act 672***Tourism Development Act***

Extends the time within which AEDC may designate a lodging facility as an approved company under the Arkansas Tourism Act. Extends the eligibility period of undertaking a tourism attraction project in which lodging facilities are eligible companies under the Arkansas Tourism Development Act from April 1, 2009 to April 1, 2011. Sen. T. Smith, S.B. 446, Emergency Clause – Act Effective 3/31/2009.

Act 691***Reduction in sales tax for energy used in manufacturing***

Effective July 1, 2009, the sales tax rate on energy used in manufacturing will be three and one-eighth percent (3.125%). This act further reduced the sales tax on energy used in manufacturing by three-fourths of a percent and established a cap on the amount of refunds that may be granted annually (\$27 million). Rep. Dunn. HB 1624. Emergency Clause – effective 7/1/2009.

Act 695***Reduction in sales tax for energy used in manufacturing***

Effective July 1, 2009, the sales tax rate on energy used in manufacturing will be three and one-eighth percent (3.125%). This act further reduced the sales tax on energy used in manufacturing by three-fourths of a percent and established a cap on the amount of refunds that may be granted annually (\$27 million). Sen. Horn. SB 875. Emergency Clause – effective 7/1/2009.

Act 722***Creates a legislative task force on reducing poverty and promoting economic opportunity***

Task force to consist of 22 members to study and then make recommendations to the General Assembly aimed at reducing poverty. The task force is to present the final report on or before November 1, 2010. Sen. Elliott. SB 470. No emergency clause.

Act 755***Change in the standard of proof for claims for exemptions, deductions and credits***

Changes the standard of proof for claims for exemptions, deduction and credits from "beyond a reasonable doubt" to "clear and convincing evidence". This act should provide Arkansas taxpayers with a more well-defined procedure for claiming exemptions, deductions and credits offered by the State. Sen. Teague. Rep. SB 769. Emergency clause – effective on 4/1/2009.

Act 779***Purchase of a rural water system by a municipality after annexation***

Adds a new chapter to Arkansas Code which allows for a purchase of a rural water system by a municipality after all or part of the rural system was annexed. The bill further defines the procedures for placing a value on the rural water system being purchased by a municipality; Rep. Woods. HB 1647. No emergency clause.

Act 787***Renaming the Department of Workforce Education***

The Department of Workforce Education will be renamed the Department of Career Education under this act. The act further provides that the State Board of Workforce Education and Career Opportunities be renamed the State Board of Career Education. Rep. Saunders. HB 1884. Emergency clause makes the act effective on July 1, 2009.

Act 791***Risk Capital Matching Fund***

Amend the Risk Capital Matching Fund Act of 2007. Technical amendments to:

- Eliminate the requirement for a private sector professional fund manager and instead establishing a private sector advisory committee (appointed by the trustees of the Venture Capital Investment Trust) to offer assistance and advice to the trustees of the fund.
- Enhance fund flexibility by enabling the private sector advisory committee to determine how funds are distributed between the Technology Validation Account and the Enterprise Development Account.
- Clarify the matching requirements that applicants must meet to access funds from both the Technology Validation and the Enterprise Development accounts.
- Increase the maximum valuation requirement amount for businesses to access Technology Validation Account funds from \$1.5 million to \$2 million.
- Clarify conflict of interest concerns regarding members of the private sector advisory committee who may have pecuniary interests in projects funded through the Arkansas Risk Capitol Matching Fund. (Accelerate Arkansas sponsored)
Rep. Wills. H.B. 1963. Emergency Clause, effective date is approval date 4/3/2009.

Act 802***DWS***

Amend various provisions of the Department of Workforce Services law. Increases the amount of base wages that unemployment insurance remuneration applies from \$10,000 to \$12,000 after December 31, 2009. Sen. Steele. S.B. 429. Emergency Clause – effective date is approval date of 4/3/2009.

Act 809***Reg Flex***

Clarify the time for the AEDC Director to respond to an Economic Impact Statement; require the Director to send proposed rules to the regulatory review committee; create the regulatory review committee. The Act specifies that the AEDC has 10 "business" days to respond to requests for review of economic impact statements associated with the proposal of new regulations as specified under §25-15-303(d). The Act also permits the appointment of a Regulatory Review Committee by the AEDC Executive Director to assist the AEDC in the review of proposed rules. Sen. Bledsoe. S.B. 884. No emergency clause.

Act 947***Connect Arkansas***

Amend the Connect Arkansas Broadband Act. Permits the AEDC, with consent of the Governor, to make grants available for the purpose of supporting Connect Arkansas. Also states that state activities in support of county economic development plans shall give priority to county eco-



conomic development plans that include regional broadband collaborations. Rep. Woods. HB 2119. Emergency Clause – Approval date of Governor; 4/6/2009.

Act 978

Cyberinfrastructure Task Force

Prescribes procedures for the appointment of a 15-person task force to sustainably implement the 2008 Cyberinfrastructure Strategic Plan and associated policy development. The Cyberinfrastructure Task Force is to submit a report and its recommendations to the General Assembly on or before August 1, 2010. Rep. Woods. HB 2011. No emergency clause.

Act 1192

Expansion of area for geotourism tax credit

Expands territory to be eligible for this tax credit if within 30 miles of a scenic byway (was five miles). Rep. Patterson. HB 2191. No emergency clause.

Act 1208

Machinery, equipment – Sales Tax Exemptions

Clarifies the type of machinery and equipment that are exempt from the sales tax. Adds frames, cavities and forms, used at any stage in the manufacturing process, to items excluded from the sales tax. Sen. Teague. SB 770. Emergency Clause – effective date is approval date of 4/7/2009.

Act 1287

Expands options for operating motor vehicle racing facilities

Prescribes conditions under which a motor vehicle racing facility might be permitted by the Arkansas Department of Environmental Quality. This bill defines where a motor vehicle racing facility might be located and requires an annual permit from ADEQ. Rep. T. Bradford. HB 1553. No emergency clause.

Act 1487

Transfer Workforce Investment Board to the Department of Workforce Services

This act brings a previously independent agency, the Workforce Investment Board, under the Department of Workforce Services and makes changes to the membership of the WIB to be consistent with federal law. Sen. Steele. SB 965. Emergency clause – effective 4/10/2009.

General Improvement Fund Legislation

PLEASE NOTE THAT ALTHOUGH THERE ARE APPROPRIATIONS FOR THE FOLLOWING ACTS, IT DOES NOT MEAN THEY WILL BE FUNDED!

Act 511

GIF funding to the Department of Workforce Education for the Arkansas Technical Careers Student Loan Forgiveness Program

Appropriates \$2,000,000 to DWE to continue this program aimed at keeping technical graduates in state. (Accelerate Arkansas sponsored)

Act 806

GIF funding to the Arkansas Economic Development Commission for the Technology Acceleration Fund

Appropriates \$30,000,000 to AEDC for a fund very similar to the Governor's Quick Action Closing Fund that is dedicated to the assistance of technology based enterprises. (Accelerate Arkansas sponsored)

Act 834

GIF funding to the Arkansas Geological Survey for the Arkansas Lignite Resources Pilot Program

Appropriates \$1,500,000 to the Geological Survey from General Improvement Funds.

Act 844

GIF funding to UAF for Arkansas Cyberinfrastructure Initiative

Appropriates \$1,000,000 from General Improvement Funds.

Act 848

GIF funding to Parks and Tourism for removal, storage and restoration of Delta Heritage Trail railroad beds

Appropriates \$2,000,000 from General Improvement Funds.

Act 868

GIF funding to AEDC for regional mobility authorities

Appropriates \$200,000 to AEDC from General Improvement Funds.

Act 871

GIF funding to AEDC for film production rebates

Appropriates \$5,000,000 to AEDC from General Improvement Funds.

Act 1010

GIF funding to AEDC for Arkansas Entertainers Hall of Fame

Appropriates \$30,000 to AEDC from General Improvement Funds.

Act 1016

GIF funding to AEDC for the Arkansas River Connection Project

Appropriates \$25,000 to AEDC from General Improvement Funds.

Act 1021

GIF funding to ASTA for Connect Arkansas expenses

Appropriates \$2,975,000 to ASTA from General Improvement Funds.

Act 1067

GIF funding to AEDC for community grants

Appropriates \$200,000 to AEDC from General Improvement Funds.

Act 1234

GIF funding to ASTA for the Cyberinfrastructure Center for Applied Technology

Appropriates \$7,328,000 for the organization and operation of the Cyberinfrastructure Center for Applied Technology. Accelerate Arkansas sponsored

Act 1235

GIF funding to AEDC for STEM grants to teachers of STEM courses

Appropriates \$1,000,000 to AEDC for investments in competitive pay supplements for STEM teachers in Arkansas. Accelerate Arkansas sponsored

Act 1244

GIF funding to the Arkansas Association of Two-Year College's Workforce Training Consortium

Appropriates \$600,000 to the Department of Higher Education from General Improvement Funds.

Act 1253

GIF funding to AEDC for general improvements

Appropriates (funds)
\$12,000 to AEDC from General Improvement Funds.

Act 1254

GIF funding to AEDC for job training grants

Appropriates (funds)
\$75,000 to AEDC from General Improvement Funds.

Act 1299

GIF funding to ASTA for several programs supportive of a knowledge-based economy

Appropriates the following amounts to ASTA, by program:

- Basic research grants - \$2,000,000
 - Research matching grants - \$3,000,000
 - Centers for Applied Technology Grants - \$3,000,000
 - Seed capital investments - \$1,000,000
 - Post-doctoral retention grants - \$500,000
 - Arkansas Research Alliance - \$5,000,000
 - Risk Capital Matching - \$3,000,000
- Accelerate Arkansas sponsored

**Act 1428**

GIF funding to AEDC for EIF, QACF, EWTP, Innovate Arkansas, Amendment 82, Minority Business Loan Mobilization and Strategic Plan implementation

Appropriates the following amounts to AEDC, by program:

- Economic Infrastructure (EIF) projects - \$20,000,000
- Quick Action Closing Fund - \$50,000,000
- Existing Workforce Training Program - \$5,000,000
- Innovate Arkansas contract - \$3,000,000 Accelerate Arkansas sponsored
- Amendment 82 projects - \$225,000,000
- Minority Business Loan Mobilization Program - \$400,000
- Strategic Plan implementation - \$500,000

Act 1434

GIF funding to AEDC for multi-purpose civic center

Appropriates (funds) \$112,000 to AEDC from General Improvement Funds.

Energy Related Legislation**Act 418**

Modification of procedures concerning a certificate of convenience and necessity for a municipally owned electric utility

Allows a municipal electric company to use the power of eminent domain to construct electrical transmission and distribution outside of its system as long as the new additions are for the purpose of serving municipal electric customers. The act prescribes the process under which a municipal electric company can use the power of eminent domain in the transmission and distribution areas. Rep. Overbey, HB 1622. No emergency clause.

Act 636

The Electric Autocycle Act

Allows for the registration and licensing of autocycles. Defines "autocycle" and prescribes both its authority for use on the roads and its limitations. DFA is given the authority to promulgate rules on the implementation and administration of this new subchapter. Rep. Cash, et al., HB 1902. No emergency clause.

Act 1336

Extends the Legislative Task Force on Sustainable Building Design and Practices

This act removes the deadline for the completion of the Task Force's work. Sen. Broadway, SB 440. No emergency clause.

Act 1220

Permits use of landfill gas in the creation or production of alternative sources of energy

Allows ADEQ to permit the disposal of yard waste if the landfill is engaged in the production of landfill gas for energy purposes. The act defines "landfill gas to energy system." Senator Teague, SB 870. No emergency clause.

Act 1336

Extends the Legislative Task Force on Sustainable Building Design and Practices

This act removes the deadline for the completion of the Task Force's work. Sen. Broadway, SB 440. No emergency clause.

Act 1372

Creates the Sustainable Building Design Program for state agencies

The Arkansas Building Authority is responsible for establishing a revolving loan fund for state agencies to use for renovation of state buildings. ABA will design the program and promulgate rules for its administration. Sen. Broadway, SB 921. No emergency clause.

Act 1494

Addresses energy efficiency in buildings owned by the State

Prescribes standards for energy efficiency in the renovation or construction of state-owned buildings. Establishes the Sustainable Energy-Efficient Buildings Program and a program to manage energy usage in public agencies. Rep. Webb, HB 1663. No emergency clause.

Community Development/Grants**Act 498**

Tax credit for the rehabilitation of historic structures

Authorizes the establishment of a tax credit for the rehabilitation of historic structures equal to 25 percent of the first \$500,000 of income-producing properties or the first \$100,000 of non-income producing properties. The program will be administered by the Arkansas Department of Heritage and is capped at \$4 million per year. Rep. Moore, HB 1953. No emergency clause.

Act 529

Allows a Planning and Development District to incorporate as a public corporation

Allows a PDD to act as an "agent" on behalf of a municipality in pursuing federal/state grant or other activities. This act is intended to assist small municipalities/counties in accessing resources that they may not have the wherewithal to access on their own. Rep. Reep, HB 1705. No emergency clause.

Act 661

Creates the Arkansas Housing Trust Fund

Establishes with the Arkansas Development Finance Authority (ADFA) a trust fund to assist in housing issues. The act establishes an Advisory Council to advise ADFA in formulating and administering the housing trust fund. Prescribes duties and authorities of the trust fund as well as identifying possible funding sources. Sen. Elliott, SB 396. No emergency clause.

Act 686

Wildlife Observation Trails Pilot Program

Creates a program aimed at improving access for wildlife observation purposes through the establishment of trails. This program will be administered by the Arkansas Department of Parks and Tourism with assistance from the Arkansas Game and Fish Commission. AGFC has agreed to voluntarily fund the program through 2011 with a \$1 million grant. Rep. Moore, HB 1846. No emergency clause.

Act 687

Wildlife Recreation Facilities Pilot Program

Creates a program aimed at enhancing the public's ability to access wildlife recreation opportunities. The program will be administered by the Department of Rural Services with help from the Arkansas Game and Fish Commission. The AGFC has agreed to voluntarily fund the program through 2011 with a \$1 million grant. Rep. Moore, HB 1847. No emergency clause.

Act 728

Heritage Trails System Act

Requires that a trail have historic value before being added to the system. This act is to be administered by the Arkansas Department of Parks and Tourism in accordance with the guidance provided by the act. Rep. L. Smith, HB 2009. No emergency clause.

Act 779

Extends ability of municipality to purchase rural water service facilities after annexation

Provides a process by which a valuation of the property to be purchased may be made and establishes other options for service to annexed water customers. The act provides that treatment, transmission and storage facilities are subject to the transfer/purchase of this new subchapter. Rep. Woods, HB 1647. No emergency clause. Approved April 3, 2009.

Act 1486

Improvement of Individual Development Account program under DWS

Clarifies that only those persons meeting the qualifications for an individual development account may be funded. The act also specifies that the Department of Workforce Services may monitor the use of IDA funds by a fiduciary organization. Sen. Key, SB 807. No emergency clause.



IV. ARKANSAS SECRETARY OF STATE BUSINESS & COMMERCIAL SERVICES

The following summaries of legislation detail new laws that may be of interest to the various businesses and individuals that have contact with the Arkansas Secretary of State Business and Commercial Services.

Act 167

(SB 80, Sen. David Johnson) Nonprofit Corporation: Use of Fax/E-mail (effective July 31, 2009) This law allows the use of fax and other electronic means to carry out specific internal business of nonprofit corporations. This includes taking action by written consent and signing waivers of notice and proxies.

Act 336

(HB 1161, Rep. Lindsley Smith and Sen. David Johnson) Filing Fraudulent UCC now Criminal Offense (effective July 31, 2009) Fraudulently filing a Uniform Commercial Code financing statement is now a criminal offense. The first offense for violating this law is a Class A misdemeanor. Subsequent offenses rise to a Class D felony.

Act 408

(HB 1462, Rep. John Edwards and Sen. Robert Thompson) Conversion of Entities to other Entity Types (effective July 31, 2009) This act based on the Model Entity Transactions Act (2007) increases the number of entity types that can convert or merge to other entity types. Entities included in this law are: general partnerships, limited partnerships, limited liability partnerships, limited liability limited partnerships, corporations, and limited

liability companies. Converting entities not already in the Secretary of State's records must also make an initial filing.

Act 412

(HB 1496, Rep. Daniel Greenberg) Signature by Mark (effective July 31, 2009) The provisions of this law clarify that a signature by mark is a legal signature if: a) the person cannot write or b) the person is unable to write at the time the signature was executed.

Act 444

(HB 1426, Rep. Mark Perry) Registration of Professional Surveyors (effective July 31, 2009) Professional Surveying firms that want to register with the Secretary of State and intend to use an entity name that contains the words "surveyor" or "surveying" must first have a valid certificate of authorization from the State Board of Licensure for Professional Engineers and Professional Surveyors. This requirement will also be in effect for firms intending to obtain a service mark which contains the words "surveyor" or "surveying."

Act 643

(HB 2029, Rep. Jerry Brown and Sen. Jim Luker) Registration of Foreign Ownership of Agricultural Land – Exception (effective July 31, 2009) This act amends existing law to read "a foreign party who acquires agricultural land for non-farming purposes shall not be required to make a filing or report" of their ownership to the Secretary of State.

Act 814

(SB 972, Sen. David Johnson) Technical Changes to ULP and MoRAA (effective July 31, 2009) This Secretary of State-sponsored bill made technical corrections to further incorporate the provisions of the Model Registered Agents Act (2007) into the Uniform Limited Partnership Act (2007) as well as other business entities.

Act 942

(HB 1984, Rep. David Dunn) Centralized Filing of Agricultural Liens (UCC) (effective Jan. 1, 2010) On January 1, 2010, all UCC filings pertaining to liens on agricultural products and equipment will no longer be accepted at county circuit clerk's offices. All of these filings will now be made with the Secretary of State. The only exception will be UCC filings related to farm-stored commodity loans financed by the Commodity Credit Corporation of USDA. These specific filings will continue to be filed at the clerk's office until December 31, 2012. After that date these filings will also be centralized at the Secretary of State's office. Financing statements currently on file in the clerk's office will remain effective until they are terminated or they lapse. If the statements need to be continued, the continuation statement will be filed with the Secretary of State's office.

Act 966

(SB 903, Sen. Sue Madison) International Student Exchange Visitor Placement Organization Registration Act (effective July 31, 2009) This law will require organizations that are in the business of placing foreign exchange students in Arkansas schools to register with the Secretary of State's office. Organizations must register by January 1, 2010, if they intend to place students during the 2010-2011 school year. The initial registration fee for these businesses will be \$150.

Act 1404

(HB 2231, Rep. Stephanie Flowers) Notary Bonds: State of Arkansas as Beneficiary (effective July 31, 2009) This act clarifies existing law and states that the state of Arkansas is the beneficiary of notary bonds and that the claim on a bond cannot exceed the bond's face value.

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V. TRACKED BILLS THAT BECAME LAW

Banking And Finance

Act 461

(HB 1882, Rep. John Paul Wells and Sen. Barbara Horn) Repeals the requirement that assigned savings accounts of associations or federal associations are acceptable as security in lieu of posting bond.

Act 462

(HB 1883, Rep. John Paul Wells and Sen. Barbara Horn) Makes various changes to the Securities Act.

Act 486

(SB 450, Sen. Johnny Key) Amends provisions of the Uniform Money Services Act; authorizes the Securities Commissioner to make rules and administer the Act; limits security required of licensee to a surety bond; expands investigative authority of the commissioner.

Act 533

(HB 1876, Rep. John Paul Wells and Sen. Barbara Horn) Repeals the Investor Protection Takeover Act, which applies to takeover offers involving target companies in the state.

Act 535

(HB 1880, Rep. John Paul Wells and Sen. Barbara Horn) Exempts certain corporate securities or surety bonds required under Title 23 from the provision that allows bonds and securities to be furnished in forms other than certificates of deposit or direct general obligation securities.

Act 731

(HB 1881, Rep. John Paul Wells and Sen. Barbara Horn) Makes various changes to the Fair Mortgage Lending Act.

Act 1404

(HB 2231, Rep. Stephanie Flowers) Revises various provisions relating to license and permit bond contracts and notary public bonds.

Construction And Contracting

Act 25

(HB 1009, Rep. Rick 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.

Act 540

(HB 1944, Rep. Barry Hyde) Clarifies that parties to a public construction contract or agreement may enter into an agreement in which the first party indemnifies or holds harmless the second party.

Act 622

(HB 1576, Rep. Lindsley Smith) Increases from \$1,000 to \$2,000 the maximum amount of a wage dispute to be heard by the Director of the Department of Labor.

Act 706

(HB 1919, Rep. Bruce Maloch) Applies review exemptions to certain design professional contracts, information technology services, health care and educational services using funds provided by the American Recovery and Reinvestment Act of 2009.

Economic Development

Act 463

(HB 1962, Rep. Robbie Wills and Sen. John Paul Capps) Provides for establishment of a post-doctoral science and engineering grant program; authorizes the Science and Technology Authority to make rules and to administer applications and awards.

Act 481

(SB 407, Sen. Sue Madison) Makes various technical changes and corrections to Arkansas Code - Title 15 (Natural Resources and Economic Development).

Act 529

(HB 1705, Rep. Gregg Reep) Authorizes planning and development districts to apply with a municipality for designation as a public corporation for one or more projects.

Act 545

(HB 2021, Rep. George Overbey, Jr. and Sen. David Wyatt) Specifies that the authorization for municipalities and counties to issue bonds for capital improvements and efficiency-based projects extends to projects near the municipality or county.

Act 643

(HB 2029, Rep. Jerry Brown and Sen. Jim Luker) Removing the requirement that foreign individuals or entities file a declaration of intent with the Secretary of State upon acquiring agricultural land for non-farming purposes, until or unless the land is later used for farming purposes.

Act 672

(SB 446, Sen. Terry Smith) Extends from April 1, 2009 to April 1, 2011 the deadline for lodging facilities to be designated as tourism attraction projects by the Economic Development Commission to qualify for sales tax credits under the Tourism Development Act.

Act 706

(HB 1919, Rep. Bruce Maloch) Applies review exemptions to certain design professional contracts, information technology services, healthcare and educational services using funds provided by the American Recovery and Reinvestment Act of 2009.

Act 716

(HB 2081, Rep. David Dunn) Repeals the Emerging Technology Development Act of 1999 and makes various changes to the Consolidated Incentive Act of 2003.

Act 791

(HB 1963, Rep. Robbie Wills and Sen. John Paul Capps) Amends the Risk Capital Matching Fund Act, creating a private sector advisory committee to replace the fund manager as advisor to the trustees; increases maximum size of company receiving aid from \$1.5 million to \$2 million.

Act 809

(SB 884, Sen. Cecile Bledsoe) Creates the Regulatory Review Committee appointed by the Director of the Economic Development Commission to assist in the review of proposed rules; requires the director to respond to agencies within 10 business days.

Act 816

(HB 1939, Rep. R.D. "Rick" Saunders) Repeals the Motion Picture Incentive Act of 1997 and creates the Digital Product and Motion Picture Industry Development Act of 2009, replacing the tax rebate program with various production cost rebates.

Act 967

(SB 920, Sen. Shane Broadway) Creates the Technology Acceleration Fund for use by the Economic Development Commission, Science and Technology Authority, and Development Finance Authority for investment incentives to improve technology development.

Act 1181

(HB 1975, Rep. Darrin Williams) Increases the period of time that redevelopment districts may exist from 25 to 40 years.

**Act 1222**

(SB 1005, Sen. Tracy Steele) Establishes a Minority Business Advisory Council to aid minority businesses in applying for and obtaining contracts with state agencies; requires each state agency to employ a minority business officer to work with the commission.

Act 1271

(SB 846, Sen. Shane Broadway) Increases the membership of the board of Public Corporations for Economic Development from five to five-fifteen; revises guideline for expending tax revenue on job training from increasing a company's payroll to retaining jobs.

Act 1287

(HB 1553, Rep. Toni Bradford and Sen. Henry "Hank" Wilkins) Allows construction of motor vehicle racing facilities in counties with a population between 80,000 and 90,000 if the facility is more than two miles from an interstate highway, any school or church facility in place at the time of permit.

Education – K-12**Act 199**

(HB 1250, Rep. Bill Abernathy and Sen. Jimmy Jeffress) 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.

Act 215

(SB 295, Sen. Jimmy Jeffress) 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).

Act 222

(HB 1034, Rep. David Cook and Sen. Shane 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.

Act 376

(SB 68, Sen. Sue Madison) Amends various sections of Title 6, the Education Code, making technical changes, deleting obsolete language, and substituting clarifying language.

Act 1405

(HB 2243, Rep. Robbie Wills) Revises the Arkansas Academic Challenge Scholarship Program.

Act 1451

(HB 1993, Rep. Bill Abernathy) Authorizes institutions of higher education to charge a reduced tuition rate for students with concurrent enrollment.

Education – Higher Education**Act 605**

(SB 26, Sen. Terry Smith) Creates the Arkansas Scholarship Lottery, the Lottery Retailer Advisory Board, the Arkansas Lottery Commission, and the Lottery Scholarship Division of the Department of Higher Education to implement operation of a statewide lottery.

Act 606

(HB 1002, Rep. Robbie Wills) Creates the Arkansas Scholarship Lottery, the Lottery Retailer Advisory Board, the Arkansas Lottery Commission, and the Lottery Scholarship Division of the Department of Higher Education to implement operation of a statewide lottery.

Act 1451

(HB 1993, Rep. Bill Abernathy) Authorizes institutions of higher

education to charge a reduced tuition rate for students with concurrent enrollment.

Employment Security**Act 273**

(HB 1279, Rep. Keith Ingram) 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.

Act 504

(HB 1478, Rep. Mike Patterson) Allows the Department of Workforce Services to share unemployment insurance contribution information with the Department of Finance and Administration.

Act 802

(SB 429, Sen. Tracy Steele) Revises various provisions of Department of Workforce Service law with respect to employment, discharge, recovery of overpayments, other clean-up and technical changes.

Act 1281

(HB 1244, Joint Budget Committee) Appropriates funds to the Department of Workforce Services for 2009-2010 operations.

Environment**Act 189**

(HB 1264, Rep. Kathy Webb and Sen. Shane Broadway) Exempts the Keep Arkansas Beautiful and Keep America Beautiful organizations from landfill fees during those organizations' annual campaigns.

Act 369

(HB 1424, Rep. Kathy Webb and Sen. Bobby Glover) Requires drilling fluid land application facilities provide a financial mechanism for the proper closure of the facility to the Department of Environmental Quality.

Act 371

(HB 1477, Rep. Bill Abernathy and Sen. Larry Teague) Creates new license categories for certain water well construction jobs and increases fees for contractors.

Act 390

(HB 1479, Rep. Darrin Williams and Sen. Ed Wilkinson) 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.

Act 636

(HB 1902, Rep. Joan Cash and Sen. Paul Bookout) Provides for the registration of autocycles for operation on roads; defines autocycle as an enclosed, electric, three-wheel motorized cycle with a steering wheel that carries between one and four persons.

Act 736

(HB 2230, Rep. Kathy Webb) Provides a limited exemption for income taxes to qualified windmill blade and windmill component manufacturing companies locating in the state after 1/1/2008; exemption based on investment, job creation, tier status and wages paid.

Act 1196

(HB 2260, Rep. Kathy Webb) Requires the Arkansas Energy Office to collect data on aviation fuels; authorizes the Energy Office to require cities and counties issuing building permits to adopt the current Arkansas Energy Code for New Building Construction.

Act 1199

(SB 65, Sen. Sue Madison) Amends various sections of Title 8, the Environmental Law Code, making technical changes, deleting obsolete language, and substituting clarifying language.

**Act 1220**

(SB 870, Sen. Larry Teague) Allows the Department of Environmental Quality to authorize a solid waste landfill to collect yard waste for processing into landfill gas as an alternative energy source.

Act 1301

(HB 1796, Rep. Fred Allen) Creates the Alternative Energy Commission to study bioenergy, ethanol, solar and wind power; and other energy sources identified by the commission.

Act 1336

(SB 440, Sen. Shane Broadway) Repeals the July 1, 2009 expiration date for the Task Force for Sustainable Building Design and Practices, extending the existence of the task force.

Act 1372

(SB 921, Sen. Shane Broadway and Rep. Kathy Webb) Establishes the Sustainable Building Design Program to provide loans to state agencies for the renovation of state-owned property for \$250,000 or more, and establishing loan repayment and approval guidelines.

Act 1494

(HB 1663, Rep. Kathy Webb and Sen. Shane Broadway) Establishes the Sustainable Energy-Efficient Buildings Program for Public Agencies, providing standards for major facility construction or renovation and setting goals for total energy savings for all state buildings of 20 percent by 2014.

Health Care**Act 75**

(HB 1031, Rep. Fred Allen and Sen. Henry "Hank" Wilkins) Requires all health benefit plans to include coverage of prostate cancer screening for men over 40; requires coverage include at least one prostate-specific antigen blood test and a digital rectal examination per year.

Act 83

(HB 1109, Rep. Steve Harrelson) Adds the State Board of Health to the list of boards and commissions that have the power to issue subpoenas.

Act 270

(HB 1363, Rep. Mike Burris) Changes the list of reference compendia that are named as standards for determining whether insurance policies must cover cancer drugs.

Act 310

(HB 1019, Rep. Dan 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.

Act 350

(HB 1546, Rep. Gene Shelby) Decreases from 180 to 90 days the time period within which health care insurers must make a decision on applications from physicians licensed under the Medical Practices Act for participation or renewal in the insurers plan.

Act 355

(SB 120, Sen. Percy Malone) 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.

Act 393

(SB 315, Sen. Tracy Steele and Rep. Gene Shelby) 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.

Act 536

(HB 1912, Rep. Willie Hardy and Sen. Henry "Hank" Wilkins) Requires a group accident and health association to register with the insurance commissioner before issuing a group accident and health insurance policy to an association; providing for Insurance Commissioner approval of the association.

Act 537

(HB 1916, Rep. Eddie Hawkins and Sen. Henry "Hank" Wilkins) Provides that a closed block of business is a form or contract that is not a group health insurance policy; requiring closed block to be within the same classification previously closed; allowing Commissioner-approved rate increases.

Act 562

(SB 582, Sen. Larry Teague) Levies a fee on privately operated hospitals at an annually calculated rate not to exceed one percent of net patient revenue; proceeds to be used for Medicaid hospital access payments; rehab and specialty hospitals exempted.

Act 649

(HB 2257, Rep. Roy Ragland) Increases from \$500,000 to \$1,000,000 the cost of renovation of a nursing home facility that does not require a permit of approval, so long as the renovation does not result in additional bed capacity.

Act 702

(HB 1703, Rep. Gene Shelby) Applies the Patient Protection Act of 1995 to a health care provider network utilized by a self-funded or insured health benefit plan provided by the state to state employees and public school personnel.

Act 769

(SB 460, Sen. Percy Malone) Requires pharmacy benefit managers to itemize individual claims on billing, including the pharmacy name, the amount paid to the pharmacy, and the prescription number; makes violations a deceptive trade practice; only applies to state funded pharmacy benefit plans.

Act 950

(HB 2244, Rep. Bruce Maloch) Requires health benefit plans provide coverage for orthotic devices and service and for prosthetic devices and service; prescribes eligible charges and limits of coverage.

Act 1178

(HB 1927, Rep. Gene Shelby) Authorizes the Arkansas State Medical Board to discipline physicians for ethical violations.

Act 1179

(HB 1930, Rep. Pam Adcock) Requires health benefit plans to provide coverage for a hearing aid that is prescribed by a qualified physician, beginning January 1, 2010, and requires the State Insurance Department to promulgate those rules.

Act 1193

(HB 2195, Rep. Tracy Pennartz) Revises the Mental Health Parity Act to be consistent with federal law.

Act 1374

(SB 947, Sen. Joyce Elliott) Creates the Colorectal Cancer Prevention, Early Detection, and Treatment Program; requires collaboration of UAMS and the Department of Health to provide state-wide screenings with priority given to low-income individuals.

Act 1375

(SB 949, Sen. David Wyatt) Provides an examination program for Chiropractic Radiologic Technologists; exempts chiropractic externs from Title 17, Chapter 106.



Insurance

Act 149

(SB 53, Sen. Terry Smith) Changes the four-year term of office for the Insurance Commissioner to coincide with the term of office of the Governor.

Act 210

(HB 1410, Rep. Johnny Hoyt and Sen. Terry Smith) Includes mortgage lien protection in the definition of casualty insurance for purposes of the Insurance Code, specifying proper issuance, coverage, credit ramifications, and other.

Act 726

(SB 806, Sen. Terry Smith and Rep. Eddie Hawkins) Insurance Department general omnibus bill making various updates and technical corrections, including payment of workers' comp benefits by ETF, permitting biennial collection of license fees, continuing education requirements, more.

Act 973

(HB 1895, Rep. Allen Kerr) Prohibits law enforcement agencies and government entities from imposing an accident response service fee on persons involved in an accident or related insurance companies; does not preclude billing for ambulance services ordered.

Act 1452

(HB 2075, Rep. Eddie Hawkins) Applies provisions regarding notification of use of vehicle insurance proceeds to third-party payments only; expands prohibition against facilitating enrollment in the Comprehensive Health Insurance Pool to include employers.

Labor And Employment

Act 252

(SB 74, Sen. Sue Madison) Amends various sections of Title 21, the Public Employees Code, making technical changes, deleting obsolete language, and substituting clarifying language.

Act 312

(HB 1390, Rep. Garry Smith) 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.

Act 453

(HB 1587, Rep. Linda Tyler) Provides that employees and job applicants are not required to pay for employer-required drug tests unless the employee/applicant requests and receives a free copy of the examiner's report.

Act 621

(HB 1552, Rep. Lindsley Smith and Sen. Sue Madison) Requires employers to provide unpaid break time each day to employees who need to express breast milk for her child in order to maintain milk supply, and to make a reasonable effort to provide a private and sanitary room for her to do so.

Act 622

(HB 1576, Rep. Lindsley Smith) Increases from \$1,000 to \$2,000 the maximum amount of a wage dispute to be heard by the Director of the Department of Labor.

Legal

Act 33

(SB 77, Sen. Sue Madison and Rep. Pam Adcock) Establishes cruelty, abandonment or neglect of an animal as an unclassified misdemeanor with penalties including a fine of no less than \$150 and no more than \$1,000, and either up to one year imprisonment or community service,

and psychiatric counseling.

Act 81

(SB 112, Sen. Robert Thompson) 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.

Act 162

(SB 33, Sen. Robert Thompson and Rep. Steve Harrelson) Removes the prohibition against citing unpublished decisions of the Court of Appeals as precedent.

Act 167

(SB 80, Sen. David Johnson) Authorizes the use of facsimile transmission or electronic mail signatures for delivery of written consent to corporations.

Act 198

(HB 1232, Rep. George Overbey, Jr. and Sen. Barbara Horn) 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.

Act 336

(HB 1161, Rep. Lindsley Smith and Sen. David Johnson) 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.

Act 342

(HB 1394, Rep. John Edwards) Adds code enforcement officers and animal control officers to the criminal offense of obstructing governmental operations.

Act 343

(HB 1395, Rep. John Edwards) Adds code enforcement officers and animal control officers to the criminal offense of obstructing interference with a law enforcement officer.

Act 344

(HB 1396, Rep. John Edwards) Adds code enforcement officers and animal control officers to the criminal offense of battery in the second degree.

Act 412

(HB 1496, Rep. Dan Greenberg) Provides that a legal signature on a document may be made manually or by device, by use of any name, including a trade or assumed name, and by a word, mark, or symbol executed by a person with intention to authenticate in writing.

Act 432

(HB 1403, Rep. John Edwards) Provides for Health Department regulation of emergency volunteer health practitioners and related entities while emergency declarations are in effect.

Act 440

(HB 1326, Rep. Lindsley Smith) 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.

Act 454

(HB 1594, Rep. Bruce Maloch and Sen. Jim Luker) Makes various changes to provisions for mechanics' and materialmen's liens.

Act 482

(SB 408, Sen. Sue Madison) Makes various technical changes and corrections to Arkansas Code - Title 18 (Property).

Act 760

(SB 801, Sen. Jim Luker) Creates the Legislative Task Force on the Fund-



ing of the Judicial System to study the methods and adequacy of facilities, equipment, staff and support services funding provided to the judicial system.

Act 951

(HB 2265, Rep. Steve Harrelson) Requires appeals to decisions made by the Public Service Commission to be heard in circuit courts, rather than by the Court of Appeals.

Local Government

Act 25

(HB 1009 Rep. Rick 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.

Act 143

(HB 1028 Rep. Jon Woods) Clarifies language relating to municipal authority to secure priority clean-up liens on properties that are in violation of local codes.

Act 195

(HB 1048 Rep. Jon Woods) Authorizes municipal sewer entities to request termination of water service for customers who are delinquent in paying for solid waste services.

Act 274

(HB 1316 Rep. Tommy Lee Baker) Makes houses, cabins, bed and breakfasts, and campgrounds subject to the municipal gross receipts tax on rental accommodations (hotel, motel tax).

Act 298

(SB 267, Sen. Steve Bryles and Rep. Tommy Lee Baker) 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.

Act 341

(HB 1341 Rep. Robert Moore, Jr.) Increases the amount municipalities may fine violators from \$500 to \$1,000 and increases the amount for continuance of the violation from \$250 per day to \$500 per day.

Act 545

(HB 2021, Rep. George Overbey, Jr. and Sen. David Wyatt) Specifies that the authorization for municipalities and counties to issue bonds for capital improvements and efficiency-based projects extends to projects near the municipality or county.

Act 556

(SB 393, Sen. Joyce Elliott and Rep. Kathy Webb) Authorizes code enforcement officers of municipalities to serve citations for code violations by registered mail to the person's last known place of residence; prohibits imprisonment over violations served by registered mail.

Act 810

(SB 897, Sen. Bobby Glover) Authorizes county judges who do not have road maintenance agreements with entities hauling oil and gas production fluids to disposal sites to designate routes to disposal sites and assess a road maintenance fee of up to \$5 per load on haulers.

Act 957

(SB 789, Sen. Steve Bryles) Allows municipalities to establish the effective date of local sales and use taxes levied for capital improvements that is different than the date provided in enabling law, so long as it is scheduled on the first day of the first month of a quarter.

Act 1177

(HB 1746, Rep. John Edwards and Sen. Bob Johnson) Establishes the Task Force on Water Source Protection, defines membership, duties,

and responsibilities, and requires the Task Force to report findings on or before December 31, 2009.

Act 1408

(HB 2270, Rep. Bryan King) Authorizes suburban improvement districts to set a deadline for collection of taxes of the district before October 10 or each year and to collect taxes on an installment schedule.

Miscellaneous

Act 7

(HB 1036, Rep. Keith Ingram) 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.

Act 33

(SB 77, Sen. Sue Madison and Rep. Pam Adcock) Establishes cruelty, abandonment, or neglect of an animal as an unclassified misdemeanor with penalties including a fine of no less than \$150 and no more than \$1,000, and either up to one year imprisonment or community service, and psychiatric counseling;

Act 93

(SB 133, Sen. Terry Smith and Rep. Mike Patterson) Revises various provisions of the Public Accountancy Act.

Act 148

(SB 27, Sen. Jimmy Jeffress) Clarifies that the Arkansas Motor Vehicle Commission shall administer the Motor Vehicle Event Data Recorder law and may promulgate rules as necessary for administration of the law.

Act 181

(HB 1013, Rep. Ray Kidd) Prohibits the use of handheld cellular telephones while driving. (Paul's Law)

Act 197

(HB 1119, Rep. Allen Kerr) 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.

Act 218

(SB 339, Sen. Jim 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.

Act 223

(HB 1037, Rep. Dawn Creekmore and Sen. Shane Broadway) 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.

Act 247

(SB 28, Sen. Kim Hendren) Prohibits drivers under the age of 18 from using a cellular telephone to talk, text message, or access the internet; specifies that a \$50 fine be issued for a second offense following a warning on the first offense.

Act 294

(SB 121, Sen. Robert 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.

Act 317

(HB 1460, Rep. Monty Davenport) Changes the definition of manufactured home under the Uniform Motor Vehicle Administration, Certificate of Title, and Antitheft Act.

**Act 342**

(HB 1394, Rep. John Edwards) Adds code enforcement officers and animal control officers to the criminal offense of obstructing governmental operations.

Act 343

(HB 1395, Rep. John Edwards) Adds code enforcement officers and animal control officers to the criminal offense of obstructing interference with a law enforcement officer.

Act 344

(HB 1396, Rep. John Edwards) Adds code enforcement officers and animal control officers to the criminal offense of battery in the second degree.

Act 389

(HB 1026, Rep. Garry Smith) Requires that at least five of the nine Oil and Gas Commission Members be experienced in oil and gas development, production and transportation.

Act 390

(HB 1479, Rep. Darrin Williams and Sen. Ed Wilkinson) 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.

Act 405

(HB 1453, Rep. Linda Tyler) Authorizes the Department of Labor to seek recovery in court of fees charged or collected unlawfully by private employment agencies.

Act 452

(HB 1573, Rep. John Lowery and Sen. Gene Jeffress) Adds natural gas pipelines that are associated with privately-owned companies, including gathering lines, under the authority of the Oil and Gas Commission to regulate under the Natural Gas Pipeline Safety Act of 1968.

Act 458

(HB 1645, Rep. Monty Davenport) Authorizes additional uses by the Natural Resources Commission of money from the Construction Assistance Revolving Loan Fund.

Act 469

(SB 218, Sen. Denny Altes) Exempts the cash surrender value of life insurance policies from the claims of creditors.

Act 722

(SB 470, Sen. Joyce Elliott and Rep. David Rainey) Creates the Legislative Task Force on Reducing Poverty and Promoting Economic Opportunity.

Act 786

(HB 1860, Rep. Bill Sample) Regulates the expiration date of drivers' licenses and identification cards issued to non-citizens.

Act 790

(HB 1955, Rep. Otis Davis) Authorizes the sale of alcohol for on-premised consumption at large attendance facilities in which pari-mutual wagering has been authorized on any day of the week during the facility's business hours, except for Christmas Day.

Act 814

(SB 972, Rep. David Johnson) Makes various technical corrections and revisions regarding the naming and service of registered agents representing foreign entities.

Act 945

(HB 2020, Rep. George Overbey, Jr.) Requires business entities other than those engaged in construction, natural resource exploration, utilities and agriculture to register motor vehicles under 4,500 pounds, authorizing a \$10,000 civil penalty for noncompliance.

Act 968

(SB 934, Sen. David Wyatt) Establishes Dairy Stabilization Grants, administered by the Agricultural Department. Prescribes calculations of support amounts and limits; creates the Agriculture Department Dairy Stabilization Program Fund.

Act 1175

(HB 1580, Rep. John Lowery and Sen. Gene Jeffress) Makes various changes to the Oil and Gas Commission hearings, penalties, assessments, permits and other.

Act 1183

(HB 2005, Rep. Lance Reynolds) Requires mineral lease holders to notify the owner of the mineral rights by mail upon transfer of the lease to another person if the transfer is made within the first two years of the origin of the lease.

Act 1188

(HB 2127, Rep. Ed Garner) Creates the professional licensure classification of ovide for the regulation specialist sign electrician and licensing of parties involved for individuals trained to maintain electric signs.

Act 1308

(HB 1978, Rep. John Edwards) Provides for the implementation of optional enhanced-security driver's licenses and identification cards, for which the applicant shows additional proof of identity and residence location.

Act 1313

(HB 2105, Rep. Johnnie Roebuck) Increases death benefits for certain public employees killed in the line of duty and allows named beneficiaries.

Act 1455

(HB 2228, Rep. Joan Cash) Creates the Fair Debt Collections Practices Act, establishing guidelines for communications between collections agencies and debtors, false or misleading representations, and processes for court proceedings against either party.

Real Estate**Act 311**

(HB 1213, Rep. Mike Patterson) 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.

Act 719

(HB 2247, Rep. Bruce Maloch) Provides a mineral lessee under an oil and gas lease does not owe a fiduciary duty to the mineral lessor but must perform the covenants of the lease in good faith and operate the mineral estate as a prudent operator for their mutual benefit.

Act 747

(SB 399, Sen. David Wyatt) Sets out new requirements and procedures for petitioning for an access easement.

Retail / Merchants**Act 223**

(HB 1037, Rep. Dawn Creekmore and Sen. Shane Broadway) 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.

Rules – Ethics / Lobbying / Voting**Act 26**

(HB 1021, Rep. Jon Woods) Repeals provisions for the February presi-



dential preferential primary elections, effectively restoring it to the third week in May.

Act 340

(HB 1340, Rep. Robert Moore, Jr.) Authorizes cities of the first class, cities of the second class and incorporated towns to receive surplus campaign funds from candidates for public office.

Act 473

(SB 317, Sen. Steve Faris and Rep. R.D. "Rick" 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.

Act 963

(SB 867, Sen. Steve Faris and Rep. James McLean) Requires that lobbyist reports be filed electronically after 1/1/2010; prohibits lobbyists from contracting for compensation based on the success or failure of a legislative or administrative action or paying for food or beverages when not present.

State Government

Act 26

(HB 1021, Rep. Jon Woods) Repeals provisions for the February presidential preferential primary elections, effectively restoring it to the third week in May.

Act 605

(SB 26, Rep. Terry Smith) Creates the Arkansas Scholarship Lottery, the Lottery Retailer Advisory Board, the Arkansas Lottery Commission, and the Lottery Scholarship Division of the Department of Higher Education to implement operation of a statewide lottery.

Act 606

(HB 1002, Rep. Robbie Wills) Creates the Arkansas Scholarship Lottery, the Lottery Retailer Advisory Board, the Arkansas Lottery Commission, and the Lottery Scholarship Division of the Department of Higher Education to implement operation of a statewide lottery.

Act 951

(HB 2265, Rep. Steve Harrelson) Requires appeals to decisions made by the Public Service Commission to be heard in circuit courts, rather than by the Court of Appeals.

Act 962

(SB 820, Sen. Ruth Whitaker and Rep. Bruch Maloch) Corrects references in the Arkansas Code to biennial sessions of the General Assembly to conform to Amendment 86 provisions for annual sessions.

Act 1405

(HB 2243, Rep. Robbie Wills) Revises the Arkansas Academic Challenge Scholarship Program.

Act 1465

(SB 631, Sen. Steve Faris) Provides subpoena for a witness shall be issued at the request of any member of the House or Senate with the majority support of the member's house.

Taxes – Income Taxes

Act 211

(SB 49, Sen. Johnny Key) 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.

Act 237

(SB 323, Sen. John Paul Capps) Adds a definition of developmental disability to income tax provisions, replacing the code reference to ACA 20-48-202 and -101.

Act 351

(HB 1577, Rep. Lindsley Smith and Sen. Sue Madison) Amends the income tax credit for the restoration of wetlands and riparian zones to include the donation of wetlands and riparian zones for conservation, setting the credit at 50 percent of the appraised value and limiting all credits to \$50,000.

Act 372

(HB 1480, Rep. Bruce Maloch) Adopts portions of the revised Internal Revenue Code to reflect technical changes.

Act 373

(HB 1549, Rep. Robert Moore, Jr.) Prescribes the time limitations for filing for refund of state income taxes when an overpayment is discovered after a correction or change in the taxpayer's federal income tax return.

Act 498

(HB 1953, Rep. Robert Moore, Jr. and Sen. Denny Altes) Authorizes an income tax credit for restoring historic properties of up to 25 percent of the total qualified expenses incurred by the owner, limited to \$500,000 on income-producing property or \$100,000 for non-income-producing property;

Act 713

(HB 2050, Rep. Allen Maxwell) Authorizes the DF&A to set off a taxpayer's state income tax refunds to satisfy a past-due and legally enforceable debt to the Internal Revenue Service and creates a procedure for a taxpayer to request relief when a joint return is subject to setoff.

Act 1500

(HB 1172, Rep. Rick Green) Provides an income tax credit to businesses for purchase of a receptacle or urn specifically designed for disposal of cigarette litter.

Taxes – Miscellaneous Tax Issues

Act 145

(HB 1170, Rep. John Lowery and Sen. Sharon Trusty) Exempts 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.

Act 162

(SB 33, Sen. Robert Thompson and Rep. Steve Harrelson) Removes the prohibition against citing unpublished decisions of the Court of Appeals as precedent.

Act 180

(HB 1204, Rep. Gregg Reep and Sen. Tracy Steele) 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.

Act 274

(HB 1316, Rep. Tommy Lee Baker) Makes houses, cabins, bed and breakfasts, and campgrounds subject to the municipal gross receipts tax on rental accommodations (hotel, motel tax).

Act 278

(HB 1346, Rep. Buddy Lovell) Deletes the requirement for original valuations of newly acquired personal property in assessment year 2010 and after.

Act 326

(SB 361, Sen. Jim Luker and Rep. Jerry Brown) Increases the fee per ton of fertilizer shipped for sale from \$1.20 per ton to \$2.40 per ton.

Act 336

(HB 1161, Rep. Lindsley Smith and Sen. David Johnson) 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.

Act 341

(HB 1341, Rep. Robert Moore, Jr.) Increases the amount municipalities may fine violators from \$500 to \$1,000 and increases the amount for continuance of the violation from \$250 per day to \$500 per day.

Act 349

(HB 1471, Rep. Robert Moore, Jr. and Sen. Jimmy Jeffress) Renames the tax credit for certain investments in delta tourism business as the geotourism tax credit, allows transfer of the credit and allows carry forward of unused portion to the next tax year.

Act 360

(SB 364, Sen. Terry Smith) 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.

Act 408

(HB 1462, Rep. John Edwards and Sen. Robert Thompson) 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.

Act 499

(HB 1111, Rep. Tracy Pennartz) Repeals the excise tax on bingo proceeds, decreases licensing fees for operators and manufacturers of bingo supplies and equipment, removes provisions for inspectors and increases maximum allowed door and raffle prizes.

Act 555

(SB 369, Sen. David Johnson) Authorizes and prescribes requirements for the county collector to distrain goods or chattels of persons for delinquent personal property taxes on personal property owned by the business.

Act 625

(HB 1625, Rep. David Dunn) Provides for a 10 percent reduction in payroll rebate benefits if a business does not file a claim for the rebate payments with the Finance and Administration Department within 12 months, and provides for forfeiture of payments after 24 months.

Act 655

(SB 73, Sen. Sue Madison) Amends various sections of Title 26, the Taxation Code, making technical changes, deleting obsolete language, and substituting clarifying language.

Act 737

(HB 2256, Rep. Allen Maxwell and Sen. Jimmy Jeffress) Provides that biomass grown for the purpose of biofuel production is not subject to a severance tax.

Act 755

(SB 769, Sen. Larry Teague and Rep. Keith Ingram) Requires strict construction of state tax law regarding exemptions, deductions and credits and provides guidelines.

Act 795

(HB 2076, Rep. Kathy Webb) Makes various revisions to the Nonprofit Incentive Act, including reductions in the payroll and equipment spending threshold amounts that are required for eligibility to receive benefits.

Act 941

(HB 1966, Rep. Eddie Cheatham) Provides a credit or rebate of local sales and use tax in excess of the tax paid on the first \$2,500 of a travel trailer.

Act 1192

(HB 2191, Rep. Mike Patterson) Changes qualifications for geotourism tax credit, increasing the allowed proximity to a national scenic byway from five to 30 miles.

Act 1208

(SB 770, Sen. Larry Teague and Rep. Keith Ingram) Provides that partial replacement of manufacturing machinery intended to upgrade and improve manufacturing efficiency and replacement dies and molds are eligible for sales and use tax exemption in the same manner as replacement.

Act 1397

(HB 2065, Rep. Bill Abernathy) Revises calculation of school district revenues generated from ad valorem taxes so that revenues are annually calculated and recorded for the calendar year immediately preceding the current school year.

Taxes – Property Taxes

Act 151

(HB 1035, Rep. Jim 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.

Act 276

(HB 1344, Rep. Buddy Lovell) 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.

Act 277

(HB 1345, Rep. Buddy Lovell) 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.

Act 531

(HB 1831, Rep. Tiffany Rogers) Deletes the requirement that ad valorem taxes on mineral interests must outweigh the cost of collecting the tax in order for the tax to be collected rather than recorded for accounting purposes only.

Act 1841

(HB 1841, Rep. Bruce Maloch) Provides that a non-producing mineral right has zero value for property tax assessment purposes.

Taxes – Sales And Use Taxes

Act 298

(SB 267, Sen. Steve Bryles and Rep. Tommy Lee Baker) 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.

Act 382

(SB 320, Sen. Steve 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.

Act 383

(SB 321, Sen. Steve 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.

Act 384

(SB 322, Sen. Larry 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.

**Act 436**

(SB 88, Sen. Bobby Glover) Reduces the sales tax on food and food ingredients from 2.875 percent to 1.875 percent, effective July 1, 2009.

Act 655

(SB 73, Sen. Sue Madison) Amends various sections of Title 26, the Taxation Code, making technical changes, deleting obsolete language, and substituting clarifying language.

Act 691

(HB 1624, Rep. David Dunn) Creates a sales tax exemption for all fuel and energy used by businesses in the manufacturing process.

Act 695

(SB 875, Sen. Barbara Horn) Reduces the rate of the excise tax on utilities used by manufacturers from 3.875 percent to 3.375 percent effective July 1, 2009.

Act 755

(SB 769, Sen. Larry Teague and Rep. Keith Ingram) Requires strict construction of state tax law regarding exemptions, deductions and credits and provides guidelines.

Act 767

(SB 975, Sen. Johnny Key) Exempts the purchase of thermal imaging equipment by county governments for use by law enforcement aircraft from sales and use tax.

Act 957

(SB 789, Sen. Steve Bryles) Allows municipalities to establish the effective date of local sales and use taxes levied for capital improvements that is different than the date provided in enabling law, so long as it is scheduled on the first day of the first month of a quarter.

Act 1176

(HB 1595, Rep. Pam Adcock) Creates a sales tax exemption for sales to the Arkansas Search Dog Association, Inc.

Act 1205

(SB 442, Sen. Johnny Key and Rep. Karen Hopper) Exempts from sales tax all raw products produced or grown in Arkansas when sold at a farmers' market.

Act 1208

(SB 770, Sen. Larry Teague and Rep. Keith Ingram) Provides that partial replacement of manufacturing machinery intended to upgrade and improve manufacturing efficiency and replacement dies and molds are eligible for sales and use tax exemption in the same manner as replacement.

Act 1274

(SB 2, Sen. Bobby Glover) Repeals the gross receipts tax levied on mini-warehouse and self-storage rental services.

Act 1482

(SB 832, Sen. Barbara Horn) Provides schedule for incremental reduction of sales and use tax on utilities used by wood manufacturers, beginning July 1, 2009.

Technology

Act 181

(HB 1013, Rep. Ray Kidd) Prohibits the use of handheld cellular telephones while driving.
(Paul's Law)

Act 191

(SB 208, Sen. Paul Bookout) Expands the approved methods by which eligible telecommunications carriers may provide universal services to include commercial mobile services and voice over internet protocol.

Act 197

(HB 1119, Rep. Allen Kerr) 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.

Act 247

(SB 28, Sen. Kim Hendren) Prohibits drivers under the age of 18 from using a cellular telephone to talk, text message, or access the internet; specifies that a \$50 fine be issued for a second offense following a warning on the first offense.

Act 967

(SB 920, Sen. Shane Broadway) Creates the Technology Acceleration Fund for use by the Economic Development Commission, Science and Technology Authority, and Development Finance Authority for investment incentives to improve technology development.

Transportation

Act 148

(SB 27, Sen. Jimmy Jeffress) Clarifies that the Arkansas Motor Vehicle Commission shall administer the Motor Vehicle Event Data Recorder law and may promulgate rules as necessary for administration of the law.

Act 153

(SB 104, Sen. Bobby Glover) Extends until December 31, 2015 the Highway Commission's authorization to issue grant anticipation revenue bonds under the Interstate Highway Financing Act of 2007.

Act 243

(HB 1318, Rep. Barbara Nix) Establishes standards for drivers employed by contract carriers and for the vehicles used by the contract carriers for transporting railroad employees.

Act 308

(SB 78, Sen. Henry "Hank" Wilkins and Rep. Fred Allen) Repeals ACA 27-37- 704, which prohibited vehicle stops solely to determine compliance with seat belt laws; forbids the suspension or revocation of a driver's license based on violation of seat belt laws.

Act 322

(SB 255, Sen. Larry 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.

Act 374

(HB 1551, Rep. Allen Maxwell) Creates the Blue Ribbon Committee on Highway Finance to define an equitable system to finance highway, road and street improvements; includes legislators and members from the public, the Highway Commission, other stakeholders.

Act 380

(SB 300, Sen. Ruth Whitaker and Rep. Steven Breedlove) Repeals requirement that the Arkansas State Police weigh vehicles hauling coal.

Act 394

(SB 309, Sen. Jimmy Jeffress and Rep. Gene Shelby) Prohibits persons with a learner's license or an intermediate driver's license from using a cellular phone or other interactive wireless communication devices while operating a vehicle, and other restrictions.

Act 456

(HB 1612, Rep. Jonathan Barnett) Amends law enforcement provisions relating to traffic citation reporting, and makes various changes relating to commercial driver license regulations including license qualifications, drug testing, violations, suspensions and penalties.

Act 483

(SB 409, Sen. Sue Madison) Makes various technical changes and corrections to Arkansas Code - Title 27 (Transportation).

Act 484

(SB 426, Sen. Larry Teague) Provides for the issuance of temporary



motor vehicle buyers' tags, with preprinted vehicle identification information, to dealers and manufacturers; requiring buyers to obtain temporary tags within five days if not provided by the seller.

Act 493

(SB 765, Sen. Terry Smith) Increases the maximum weight allowed on the front or steering axle of a motor vehicle from 20,000 lbs. to 24,000 lbs.

Act 567

(SB 771, Sen. Steve Bryles) Allows the Highway Commission to issue special permits for hauling sealed containerized cargo units across a county line, as well as within a county.

Act 637

(HB 1904, Rep. Walls McCrary) Requires third party contractors working on behalf of a railroad to obtain and maintain the same \$5 million insurance policy that a contract carrier must maintain when transporting railroad employees.

Act 756

(SB 781, Sen. Larry Teague) Revises various provisions of the Motor Vehicle Commission Act, including definition of motor vehicle and dealers, used vehicle, warranties, price of recalled parts, franchise terminations, use of temporary tags, purchases by municipalities.

Act 778

(HB 1581, Rep. John Edwards) Provides non-codified language directing the Human Services Department to establish a minimum level of liability insurance for transportation provided for child care centers.

Act 780

(HB 1673, Rep. Pam Adcock) Requires cardboard vehicle buyers' tags to be legible from a distance of 100 feet during daylight hours and specifies proper placement and display.

Act 810

(SB 897, Sen. Bobby Glover) Authorizes county judges that do not have road maintenance agreements with entities hauling oil and gas production fluids to disposal sites to designate routes to disposal sites and assess a road maintenance fee of up to \$5 per load on haulers.

Act 977

(HB 2002, Rep. Allen Maxwell) Amends the Alternative Fuels Development Act, adding synthetic transportation fuel, compressed natural gas, and algae biomass, increasing the maximum incentives from 20 to 35 cents per gallon and increasing maximum per-producer grant limits.

Act 1194

(HB 2208, Rep. Jonathan Barnett) Authorizes permanent registration and licensure of motor vehicle fleets; requires one-time license plate manufacturing fee and payment of registration fees, taxes and fleet management fees for five to 10 years in advance.

Utilities

Act 164

(SB 69, Sen. Sue Madison) Amends various sections of Title 23, the Public Utilities and Regulated Industries Code, making technical changes, deleting obsolete language, and substituting clarifying language.

Act 418

(HB 1622, Rep. George Overbey, Jr. and Sen. Gilbert Baker) Authorizes municipal corporations to use eminent domain for electric transmission and distribution systems outside of corporate limits, without annexation of territory, pursuant to authorization from the Public Service Commission.

Act 434

(HB 1898, Rep. Eddie Hawkins and Sen. Barbara Horn) Requires the

Public Service Commission to permit an electric public utility to establish a storm cost reserve account initially consisting of the amount of the utility's currently approved rates for storm restoration costs.

Act 676

(SB 663, Sen. Barbara Horn and Rep. David Rainey) Provides a procedure for rural electric cooperatives to modify rates and charges up to five percent of gross revenue in a twelve-month period with notice to the Public Service Commission and the Attorney General and subject to review by the PSC.

Act 729

(HB 1712, Rep. Darrin Williams) Authorizes the Public Service Commission to issue financing orders that allow electric utilities to securitize storm recovery costs if the commission finds that the issuance of the storm recovery bonds are expected to lower recovery cost.

Act 947

(HB 2119, Rep. Jon Woods and Sen. Jon Paul Capps) Allows all state agencies and entities to make grants available for the purpose of supporting the Connect Arkansas broadband nonprofit and declares the need for expanded broadband access through regional broadband collaborations.

Act 951

(HB 2265, Rep. Steve Harrelson) Requires appeals to decisions made by the Public Service Commission to be heard in circuit courts, rather than by the Court of Appeals.

Act 1221

(SB 876, Sen. David Wyatt) Increases the emergency telephone (911) service fee on commercial mobile radio service connections, voice over internet protocol, and nontraditional telephone service from 50 cents per month to 65 cents per month.

Workers' Compensation

Act 253

(SB 94, Joint Budget Committee) Appropriates funds to the Workers Compensation Commission for operations.

Act 327

(HB 1362, Rep. Mike Burris) 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.

Act 432

(HB 1403, Rep. John Edwards) Provides for Health Department regulation of emergency volunteer health practitioners and related entities while emergency declarations are in effect.

Act 653

(SB 64, Sen. Sue Madison) Amends various sections of Title 11, the Labor and Industrial Relations Code, making technical changes, deleting obsolete language, and substituting clarifying language.

Act 726

(SB 806, Sen. Terry Smith and Rep. Eddie Hawkins) Insurance Department general omnibus bill making various updates and technical corrections, including payment of workers' compensation benefits by ETF, permitting biennial collection of license fees, continuing education requirements, more.

Act 808

(SB 872, Sen. Larry Teague) Authorizes the carryover by firefighters of certified training hours earned in excess of annual requirements; exempts members of fire departments not engaged in firefighting from requirements but eligible for workers' compensation.



VI. TRACKED BILLS THAT DID NOT BECOME LAW

Banking And Finance

HB 1935

(Rep. Jim Nickels) Repeals the Check-Cashers Act, citing the Supreme Court decision as finding the Act unconstitutional. Died in House committee.

HB 2206

(Rep. Curren Everett) Deletes antiquated language in Amendment 65 of the Arkansas Constitution, limiting the interest rate on revenue bonds to the maximum authorized by Amendment 60. Died on the House calendar.

Construction And Contracting

HB 1520

(Rep. Tiffany Rogers) Increases from \$20,000 to \$80,000 the cost of a commercial or residential construction job that requires a licensed contractor. Died in House committee.

HB 1885

(Rep. Barry Hyde) Requires hold harmless language in contracts to be stated clearly and in a way that a reasonable person will be alerted to its inclusion, including the use of bold print, capitalization, color, larger type, underlining, etc. Recommended for interim study.

HB 2091

(Rep. David Dunn) Removes competitive bidding exemptions for public contracts over \$2 million and those for contracts over \$5 million, requires public advertisement and bidding for subcontracts, and repeals design-build contract provisions. Died in House committee.

HB 2175

(Rep. Bryan King) Raises from \$20,000 to \$50,000 the threshold expenditure for building projects that qualifies the builder as a contractor and subject to contractor licensing and regulations. Died in House committee.

HB 2178

(Rep. Steve Harrelson) Revises the monetary limit of a construction project before a contractor's license is required for the project. Died in House committee.

HB 2225

(Rep. Pam Adcock) Requires permit applicants seeking to alter real property in a city or county with a population over 300,000 to submit a survey by a professional surveyor. Recommended for interim study.

HB 2226

(Rep. Pam Adcock) Requires a survey by a licensed surveyor when any interest in real property is conveyed by warranty deeds. Recommended for interim study.

Economic Development

HB 1059

(Rep. Tracy Pennartz) Creates an income tax credit for 20 percent 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. Withdrawn from further consideration.

HB 1060

(Rep. Tracy Pennartz) Creates an income tax credit for 20 percent 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. Recommended for interim study.

HB 1910

(Rep. Keith Ingram and Sen. David Johnson) Changes the equity investment incentive tax credit from 33.3 percent to 50 percent of the amount invested; allowing for a tax credit of 100 percent of start-up costs of forming a regional or community-based alliance fund; changing eligibility for investments. Died in Senate committee.

HB 2094

(Rep. Dan Greenberg) Requires that the Economic Development Commission and a business receiving funds from the Incentive Quick Action Closing Fund must agree to a measurable goal based on which funds must be returned if goal is not met. Died in House committee.

HB 2123

(Rep. Steve Harrelson) Titles as the Arkansas Capital Plan for Rail Projects Act of 2009; to address the need to construct, improve and invest in rail or railroad infrastructure. Died in House committee.

HB 2214

(Rep. Duncan Baird) Enhances economic development. Died in House committee.

HB 2255

(Rep. Mike Patterson) Creates an income tax credit for manufacturers. Died in House committee.

SB 784

(Sen. Ruth Whitaker) Provides for expanded scope of operation and responsibilities for the Economic Development Commission. Withdrawn from further consideration.

SB 954

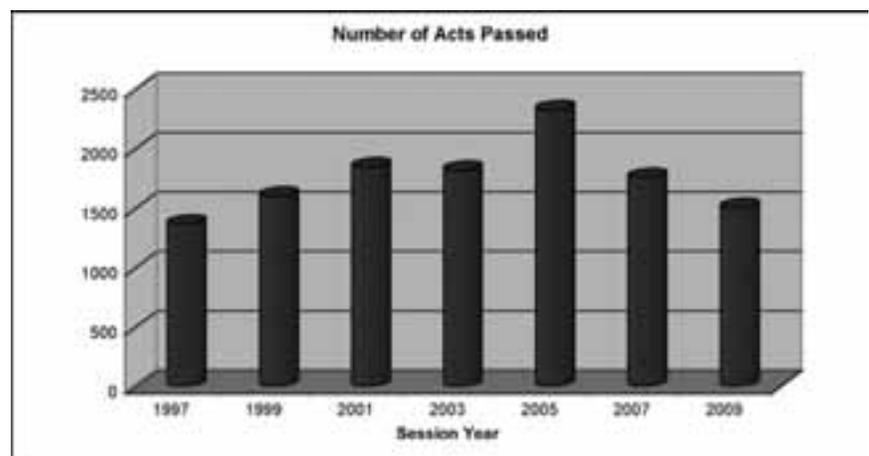
(Sen. Paul Bookout) To amend state law regarding development and redevelopment projects within county and municipality development districts. Died in Senate committee.

SB 960

(Sen. Paul Bookout) Amending certain provisions of the Arkansas Tourism Development Act, ACA 15-11-501 et. Died in Senate committee.

SB 973

(Sen. Sue Madison) Amending the tax provisions in Title 26 to provide for the tax treatment of wind power. Recommended for interim study.



**SB 1007**

(Sen. Jack Crumbly) Requires an interim legislative feasibility study into designating rural enterprise communities or other local entities as eligible for state funding for the purpose of providing grants to improve the quality of life in rural areas. Recommended for interim study.

Education – K-12**HB 1054**

(Rep. Debra Hobbs) Moves the earliest possible date public schools can begin the school year from August 19 to August 12. Died in House committee.

HB 1868

(Rep. Tim Summers) To amend Title 6 regarding public education. Died in House committee.

HB 1869

(Rep. Ann Clemmer) To amend Title 6 regarding charter schools. Died in House committee.

HB 1870

(Rep. Ann Clemmer) To amend Title 6 regarding school finance. Died in House committee.

HB 1871

(Rep. Ann Clemmer) To amend Title 6 regarding school choice. Died in House committee.

HB 1938

(Rep. R.D. "Rick" Saunders) To amend Title 6 concerning Arkansas public school accountability. Died in House committee.

HB 1952

(Rep. Steven Breedlove) To amend the definition of miscellaneous funds used in calculating foundation funding for public school districts. Died in House committee.

HB 1960

(Rep. Randy Stewart and Sen. Larry Teague) Adds pre-kindergarten students to the average daily membership calculations for purposes of administrative reorganization. Recommended for interim study.

HB 2159

(Rep. Fred Allen) Creates the College and Workforce Readiness Acceleration program to reduce college remediation and unemployment rates among high school graduates, and develop opportunities for students in need. Died in House committee.

HB 2232

(Rep. Mike Burris) Revises provisions of the adult education program of the Department of Workforce Education. Died in House Committee.

HB 2236

(Rep. Les "Skip" Carmine) Prohibits the consolidation or annexation of school districts if the resulting district will have a land area exceeding 901 square miles. Died in House committee.

HB 2237

(Rep. Les "Skip" Carmine) Prohibits the consolidation or annexation of school districts if the resulting district will have a land area exceeding 1,000 square miles. Died in House committee.

HB 2238

(Rep. Les "Skip" Carmine) Prohibits the consolidation or annexation of school districts if the resulting district will have a land area exceeding 1,054 square miles. Died in House committee.

HB 2263

(Rep. Buddy Lovell) Changes the calculation of the average daily membership of small school districts for purposes of creating a consolidation list. Died in Senate committee.

SB 30

(Sen. Kim Hendren) 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. Died in Senate committee.

SB 249

(Sen. Larry Teague and Rep. Randy Stewart) 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 October 1 of the year the consolidation list is published. Died in Senate committee.

SB 734

(Sen. Randy Laverty) Requires geographic consideration for students enrolled in certified isolated school districts. Recommended for interim study.

SB 735

(Sen. Randy Laverty) Requires humane consideration for students in certified isolated school districts. Withdrawn from further consideration.

SB 736

(Sen. Randy Laverty) Requires an adjustment in formula funding for isolated school districts in order to bring their funding into compliance with state law. Recommended for interim study.

SB 740

(Sen. Randy Laverty) Provides that isolated schools will continue to receive special needs funding after consolidation or annexation, with the funding paid to the receiving school district and used only for transportation cost for students at the isolated school. Recommended for interim study.

SB 766

(Sen. Jimmy Jeffress) Revises the public school choice laws. Died in Senate committee.

SB 816

(Sen. Randy Laverty) Prohibits the consolidation or annexation of a school district if the size of the resulting district exceeds 901 square miles. Withdrawn from further consideration.

SB 817

(Sen. Randy Laverty) Prohibits the consolidation or annexation of a school district if the size of the resulting district exceeds 1,000 square miles. Withdrawn from further consideration.

SB 818

(Sen. Randy Laverty) Prohibits the consolidation or annexation of a school district if the size of the resulting district exceeds 1,054 square miles. Withdrawn from further consideration.

SB 971

(Sen. Larry Teague) Requires the Department of Education to publish the annual consolidation list of schools with fewer than 350 students by January 1 of each year. Died in Senate committee.

SB 1008

(Sen. Steve Bryles) To provide additional school district options under the Public Education Reorganization Act. Died in Senate committee.

Employment Security**HB 1281**

(Rep. Davy Carter) To require persons receiving benefits through the Department of Human Services to undergo drug testing on a random selection basis. Recommended for interim study.

SB 17

(Sen. Jimmy Jeffress) Excludes bail bond agents compensated on



a commission basis from the definition of "employment" under the Department of Workforce Services Law. Withdrawn from further consideration.

SB 216

(Sen. Denny Altus and Rep. Frank Glidewell) 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. Died in Senate committee.

Energy

HB 1131

(Rep. Roy Ragland and Sen. Terry Smith) Repeals the Energy Conservation Endorsement Act of 1977 (ACA 23-3-4). Withdrawn from further consideration.

HB 1278

(Rep. Roy Ragland) Expands the conservation programs and measures of the Energy Conservation Act that the Public Service Commission may require of electric and natural gas utilities to reduce customer energy usage and improve infrastructure efficiency. Recommended for interim study.

Environment

HB 1131

(Rep. Roy Ragland and Sen. Terry Smith) Repeals the Energy Conservation Endorsement Act of 1977 (ACA 23-3-4). Withdrawn from further consideration.

HB 1278

(Rep. Roy Ragland) Expands the conservation programs and measures of the Energy Conservation Act that the Public Service Commission may require of electric and natural gas utilities to reduce customer energy usage and improve infrastructure efficiency. Recommended for interim study.

HB 1677

(Rep. Joan Cash) Directs the Public Service Commission to establish energy efficiency resource standards that require the procurement of efficiency resources by public utilities regulated by the commission. Withdrawn from further consideration.

HB 1838

(Rep. Roy Ragland) To provide incentives for the development of renewable energy sources. Died in Joint committee.

HB 1903

(Rep. Joan Cash) Requires gas and electric utilities to submit annual energy efficiency plans to the Public Service Commission that will provide incremental savings on retail energy sales; allows for recovery of a certain level of the program costs. Recommended for interim study.

HB 2008

(Rep. Kathy Webb) Creates an income tax credit of 30 percent of the cost of equipment used to collect, clean, compress and transport landfill methane gas as an alternative energy source for commercial purposes. Recommended for interim study.

HB 2024

(Rep. Monty Davenport) Requires the Department of Environmental Quality to deposit all funds received as civil penalties into the State Treasury as general revenue except for funds used for remedial programs or administrative costs. Died in House committee.

HB 2051

(Rep. Allen Maxwell) Establishes the Home Weatherization Revolving Loan Fund, allowing homeowners to borrow money to increase the

energy efficiency of their homes through weatherization. Recommended for interim study.

HB 2056

(Rep. Gregg Reep) To restructure the landfill post closure trust fund to utilize its funds in the most efficient and effective manner. Died in House committee.

HB 2077

(Rep. Kathy Webb) Allows a contractor to claim an income tax credit of up to \$4,000 for the costs of energy-efficient materials and systems incurred in the construction of a residential property with a certified efficiency rating that exceeds certain specifications. Recommended for interim study.

HB 2078

(Rep. Kathy Webb) Requires the Energy Office to develop a program to fund energy efficiency audits on residences and business, finance weatherization or energy efficiency measures, and perform audits, provided there is available federal funding. Recommended for interim study.

HB 2079

(Rep. Kathy Webb) Removes waivers to the Utility Facility Environmental and Economic Protection Act that exempt certain utility facilities. Withdrawn from further consideration.

HB 2124

(Rep. Johnnie Roebuck) To create the Clean Communities Program Act to facilitate litter removal and recycling through a tax on litter generating products. Died in House committee.

HB 2235

(Rep. David Dunn) Provides for the lease of certain buildings with sustainable, energy efficient features by the state and state-supported institutions. Died in House committee.

HB 2268

(Rep. Richard Carroll) Requires periodic and regular testing of the state's water resources that might be affected by drilling operations. Died in House committee.

HB 2273

(Rep. Kathy Webb) Establishes a revolving loan fund to be administered by the Public Service Commission to provide loans to homeowners for the acquisition of energy conservation measures to improve the use of energy. Recommended for interim study.

SB 115

(Sen. Bobby 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. Died in Senate committee.

SB 584

(Sen. Shane Broadway) Authorizes the Development Finance Authority to issue the Energy Cost Savings Projects General Obligation Bonds, not to exceed \$300 million, to finance energy cost savings contracts by state agencies for improvements to state buildings. Died in Senate committee.

SB 906

(Sen. Mary Anne Salmon) Amending ACA Title 8, concerning the rights and responsibilities of the Arkansas Pollution Control and Ecology Commission. Died in Senate committee.

SB 927

(Sen. Robert Thompson) To promote the development of the alternative fuels industry in the state by establishing minimums for the percentage of alternative fuels to be sold in the state. Died in Senate committee.

**SB 928**

(Sen. Robert Thompson) To increase state economic incentives for alternative fuel development. Died in Senate committee.

SB 946

(Sen. Johnny Key) Provides an income tax credit for costs of energy efficiency home improvements, not to exceed \$500 per taxpayer; provides claim procedure; to remain in effect from Jan. 1, 2009 through Dec. 31, 2011. Recommended for interim study.

SB 973

(Sen. Sue Madison) Amending the tax provisions in Title 26 to provide for the tax treatment of wind power. Recommended for interim study.

SB 1010

(Sen. Mary Anne Salmon) To amend Title 8 to eliminate duplication of environmental laws and regulations. Died in Senate committee.

Health Care**HB 1017**

(Rep. Dan Greenberg) Repeals the requirement that health insurance policies cover the expense of in-vitro fertilization. Withdrawn from further consideration.

HB 1108

(Rep. Lindsley Smith) Prohibits physicians from referring patients to medical imaging facilities in which the physician or the physician's immediate family has a financial interest; provides exemptions for ancillary services and tests. Recommended for interim study.

HB 1238

(Rep. Ed Garner and Sen. Gilbert Baker) 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 percent of premium taxes collected. Died in House Committee.

HB 1407

(Rep. Dan Greenberg) Allows insurers to offer health care coverage insurance without regard for state-mandated benefits. Died in House committee.

HB 1411

(Rep. Gene Shelby and Sen. Tracy 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. Withdrawn from further consideration.

HB 1481

(Rep. Gene Shelby) Increases the maximum age of operators and passengers of motorcycles that must wear protective headgear from 21 to 25 years of age. Died in House committee.

HB 1575

(Rep. Lindsley Smith) Requires a physician ordering an anatomic pathology service from another physician or laboratory where he or she does not supervise or perform a component of the service to disclose certain cost information to the patient and the insurer. Recommended for interim study.

HB 1601

(Rep. Allen Maxwell and Sen. Percy Malone) Requires pharmacy benefit managers to itemize reimbursement amounts sought for pharmacist services and pay the amounts they receive to the pharmacies or pharmacists that provided the services. Died in House committee.

HB 1620

(Rep. Gene Shelby) Applies the Patient Protection Act of 1995 to a health care provider network utilized by a self-funded health benefit plan

provided by the state to state employees and public school personnel. Withdrawn from further consideration.

HB 1641

(Rep. R.D. "Rick" Saunders and Sen. Randy Laverty) Levies a provider fee of 6 percent of the aggregate gross receipts of intermediate care facilities for individuals with developmental disabilities, to be used for continued operation and rate increases for those facilities and related service providers. Withdrawn from further consideration.

HB 1675

(Rep. Gene Shelby) Applies the Patient Protection Act of 1995 to a health care provider network utilized by a self-funded health benefit plan provided by the state to state employees and public school personnel. Withdrawn from further consideration.

HB 1922

(Rep. Gene Shelby) To amend terms and provisions of the Patient Protection Act of 1995. Withdrawn from further consideration.

HB 2027

(Rep. Clark Hall) Clarifies the definition of primary care provider for purposes of the Patient Protection Act of 1995 to mean an individual physician, surgeon or advanced practice nurse. Died in House committee.

HB 2036

(Rep. John Paul Wells) To create the Health Care Cost Stabilization Act of 2009 to impose reasonable restrictions and controls on the cost of health care to protect Arkansas citizens and enable them to access health care services. Died in House committee.

HB 2038

(Rep. John Paul Wells) Requires the State Medical Board to ensure all credentialing information it possesses is made available to the public in a user-friendly format and removes limits on the disclosure of credentialing information. Died in House committee.

HB 2058

(Rep. Gregg Reep) To create the Emergency Medical Services Omnibus Act. Died in House committee.

HB 2088

(Rep. Gene Shelby) Requires that physician profile ranking, rating and performance results are not public or used for reimbursement and providing for Insurance Department to promulgate rules for profile accuracy and transparency. Recommended for interim study.

HB 2177

(Rep. David Dunn) To promote consumer savings on prescription drugs. Died in House committee.

HB 2186

(Rep. Bill Sample) Amends the Pharmacy Audit Bill of Rights. Died in House committee.

SB 29

(Sen. Kim Hendren) 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. Recommended for interim study.

SB 913

(Sen. Mary Anne Salmon) Requires health benefit plans to provide coverage for the diagnosis and treatment of autism spectrum disorders; prohibits insurers from terminating or refusing coverage solely because a person is diagnosed with an autism disorder. Recommended for interim study.

SB 940

(Sen. Joyce Elliott) Requires group health plans and group health



insurers to cover certain medically necessary reconstructive surgeries, though not cosmetic surgery. Recommended for interim study.

SB 994

(Sen. Robert Thompson) To clarify the law regarding pharmacy benefit managers and pharmacists' services. Died in Senate committee.

Insurance

HB 1100

(Rep. Allen Kerr) 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. Recommended for interim study.

HB 2198

(Rep. Eddie Hawkins) Revises definition of replacement costs for insurance purposes. Died in House committee.

SB 32

(Sen. Terry Smith) Requires motor vehicle liability insurers to include the vehicle's listed lien holders as payees on claims for damage in excess of \$500. Withdrawn from further consideration.

SB 125

(Sen. Kim Hendren) 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 registrations for noncompliance with insurance requirements. Recommended for interim committee.

Labor And Employment

HB 1093

(Rep. Bill Sample) Requires government agencies, schools, other organizations and employers to issue their identification documents only to legal residents; prohibits illegal aliens from scholarships and in-state tuition; creates a Class D felony for harboring an illegal alien. Recommended for interim study.

HB 1097

(Rep. Randy Stewart) 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. Died in House committee.

HB 1275

(Rep. John Paul Burris) 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. Died in House committee.

HB 1383

(Rep. Jim Nickels and Sen. Joyce Elliott) 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. Died in House committee.

HB 1464

(Rep. Jim Nickels) Raises the minimum wage from \$6.25 per hour to \$6.55 immediately, and to \$7.25 on July 24, 2009. Died in Senate committee.

HB 1797

(Rep. Jane English) Establishes the 21st Century Workforce System Task Force. Recommended for interim study.

HB 1866

(Rep. John Paul Burris) Amends the minimum wage law, authorizing the Department of Labor to set the employer's maximum allowance per hour worked for board, lodging, apparel or other items regularly furnished to employees. Died on the House floor.

HB 1929

(Rep. Bill Sample) Makes an employer who pays an employee in cash and fails to withhold taxes subject to a penalty of three times the amount of withholding. Died in Senate committee.

HB 2184

(Rep. Mark Martin) Creates the Open Carry Law, authorizing persons lawfully licensed to possess a handgun to publicly carry the handgun in plain sight on their persons or in their vehicles for purpose of self-defense. Recommended for interim study.

HJR1014

(Rep. Lindsley Smith and Sen. Sue Madison) Ratifies the proposed amendment to the U.S. Constitution guaranteeing equal rights to women. Died in House committee.

SB 845

(Sen. Gilbert Baker) Requires the Senate State Agencies and Governmental Affairs Committee to study gender-based pay disparity and consider revisions to law to ensure equity in pay and other compensation to those working in the same or comparable positions. Recommended for interim study.

SB 945

(Sen. Joyce Elliott) Requires counties to withhold membership dues of unions or professional associations from employee pay upon request of the employee. Died on the Senate floor.

SJR 12

(Sen. Sue Madison and Rep. Lindsley Smith) Ratifies the proposed amendment to the U.S. Constitution guaranteeing equal rights to women. Recommended for interim study.

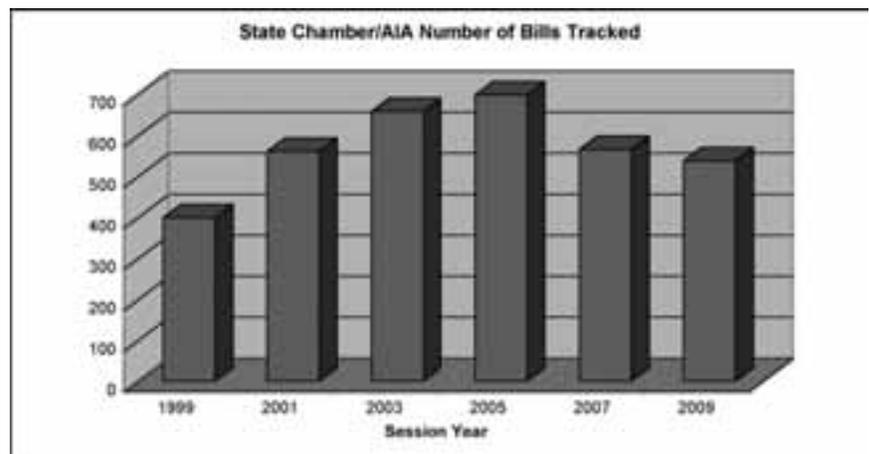
Legal

HB 1262

(Rep. Lindsley Smith) 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. Recommended for interim study.

HB 1544

(Rep. Steve Harrelson) Creates the Uniform Limited Cooperative





Association Act, authorizing persons to enter into a jointly owned enterprise that allows combination of ownership, financing and receipt of benefits by the members. Recommended for interim study.

HB 1682

(Rep. Bruce Maloch) Provides that claims for damages caused by the unauthorized practice of law are not subject to provisions of the Deceptive Trade Practices Act. Died in House committee.

HB 2103

(Rep. Lindsley Smith) Creates civil liability for new acts of Medicaid fraud or collusion and increasing civil penalties for fraud under the Medicaid Fraud False Claims Act, allowing a person to bring an action in the name of the state for false claims. Recommended for interim study.

HB 2121

(Rep. Steve Harrelson) To protect the rights of Arkansans to obtain justice in courts of law. Died in House committee.

HB 2272

(Rep. Bruce Maloch) Revises provisions of the Civil Justice Reform Act, ACA 16-55-201 et seq. Died in House judiciary.

SB 395

(Sen. Steve Faris) Authorizes the President Pro Tempore of the Senate to administer oaths to Senate members and witnesses; authorizes the Senate and House to certify to the circuit court a refusal to appear under subpoena or produce subpoenaed material. Withdrawn from further consideration.

SB 997

(Sen. Johnny Key) To amend the Civil Justice Reform Act of 2003. Died in Senate committee.

Local Government

HB 1042

(Rep. Gene 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. Withdrawn from further consideration.

HB 1317

(Rep. Tommy Lee Baker) Removes the requirement that a first class city must have a city park of 1,000 or more acres to levy the additional 1 percent local tax (hotel, motel, hamburger tax) and authorizes cities of the second class and incorporated towns to levy the tax. Died in House committee.

HB 1323

(Rep. Ed Garner) 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. Died in House committee.

HB 1446

(Rep. David Cook and Sen. Paul Miller) Adds gas transmission and distribution facilities to the list of capital improvement facilities that Public Facilities Boards may finance. Died in House committee.

Miscellaneous

HB 1046

(Rep. Roy Ragland) The Freedom to Farm Act, prohibiting state entities from requiring animal owners to use an electronic I.D. device on an animal, to secure a permit for production of animals, or to report the movement, sale or ownership of animals. Recommended for interim study.

HB 1093

(Rep. Bill Sample) Requires government agencies, schools, other

organizations and employers to issue their identification documents only to legal residents; prohibits illegal aliens from scholarships and in-state tuition; creates a Class D felony for harboring an illegal alien. Recommended for interim study.

HB 1251

(Rep. Steven Breedlove) 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. Recommended for interim study.

HB 1451

(Rep. Johnny Hoyt and Sen. Steve Bryles) 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 cwt to milk producers based on certain calculations. Died on the Senate calendar.

HB 1482

(Rep. Stephanie Flowers) 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. Withdrawn from further consideration.

HB 1544

(Rep. Steve Harrelson) Creates the Uniform Limited Cooperative Association Act, authorizing persons to enter into a jointly owned enterprise that allows combination of ownership, financing and receipt of benefits by the members. Recommended for interim study.

HB 1550

(Rep. Bill Sample) Requires the expiration of state identification cards issued to noncitizens be the earliest of the period provided for under 27-16-805(b), the date on the applicant's INS document I-94, or the last legal date for the applicant to be in the U.S. Withdrawn from further consideration.

HB 1592

(Rep. Lance Reynolds) Creates the Arkansas Gathering Line Land Acquisition Act to provide for the offer, counteroffer, hearing review, appeal, and other processes for natural gas companies seeking to acquire land for non-delivery proprietary pipelines. Recommended for interim study.

HB 1790

(Rep. Tiffany Rogers) Requires diesel fuel sold at public retail contain at least five percent biodiesel fuel by volume; requires the Agriculture Department to verify biodiesel production capacity through regular reporting by producers. Recommended for interim study.

HB 1968

(Rep. Kathy Webb) Requires public servants or candidates to include certain information regarding their entire families when making a statement disclosing potential conflicts of financial interest, rather than only their spouses; sets violation as Class A misdemeanor. Died on House floor.

HB 2000

(Rep. Stephanie Flowers) Creates a violation with \$500 fine against motor vehicle dealers selling vehicles not in safe mechanical condition; specifies equipment required to be in working order; provides proceeds distributed 50 percent to court, 50 percent to Autism Support Fund. Recommended for interim study.

HB 2015

(Rep. Mike Burris) Exempts trade or professional association training from the school licensing requirements of the Private Career Education Board. Recommended for interim study.

**HB 2090**

(Rep. Duncan Baird) Proposes public corporation law reform to strengthen shareholder rights concerning elections, executive compensation and more, and to separate the roles of the chairman and chief executive officers. Recommended for interim study.

HB 2102

(Rep. Kathy Webb) Allows the creation of low-profit limited liability companies to further charitable or educational purposes. Recommended for interim study.

HB 2109

(Rep. Bill Sample) To provide incentives to promote the generation of electricity from biomass, including agricultural waste, wood waste, poultry waste, and other animal waste. Died in House committee.

HB 2110

(Rep. Dawn Creekmore) Providing procedures for disclosure and transmission of social security numbers, allowing an individual to refuse to provide his or her SSN if no legal basis exists for requesting it, and creating a Class A misdemeanor for violation. Died in House committee.

HB 2139

(Rep. Kathy Webb) To provide for creation and tax treatment of low-profit limited liability companies. Withdrawn from further consideration.

HB 2153

(Rep. Keith Ingram) To amend various laws concerning greyhound racing. Died in House committee.

SB 31

(Rep. Kim Hendren) Requires drivers to use hands-free cellular phones and specifies that a \$50 fine be issued for a second offense following a warning on the first offense. Died in Senate committee.

SB 338

(Sen. Steve Bryles and Rep. Johnnie Roebuck) Places restrictions on advertising of alcoholic beverages by manufacturers, distributors and retailers. Died in Senate committee.

SB 349

(Sen. Randy Laverty) 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 Department of Finance and Administration. Recommended for interim study.

SB 395

(Sen. Steve Faris) Authorizes the President Pro Tempore of the Senate to administer oaths to Senate members and witnesses; authorizes the Senate and House to certify to the circuit court a refusal to appear under subpoena or produce subpoenaed material. Withdrawn from further consideration.

SB 927

(Sen. Robert Thompson) To promote the development of the alternative fuels industry in the state by establishing minimums for the percentage of alternative fuels to be sold in the state. Died in Senate committee.

SB 928

(Sen. Robert Thompson) To increase state economic incentives for alternative fuel development. Died in Senate committee.

Real Estate**HB 1004**

(Rep. Lance Reynolds) Creates the Termination of Mineral Rights Act, providing that severed mineral rights that are not "used" for 20 years will revert to the surface owner; defines "use" as mineral operations,

payment of taxes, and recordation of instruments or taxes. Died in House committee.

HB 1178

(Rep. Jonathan Dismang) 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. Recommended for interim study.

HB 1941

(Rep. Lance Reynolds) Prescribes procedures for surface owners to terminate abandoned severed mineral interests on their property, actions that constitute a presumption of use of the severed mineral interest, procedures to preserve severed mineral interests, etc. Recommended for interim study.

HB 1991

(Rep. Monty Davenport) Requires notice be given to unleased mineral owners when a proceeding to integrate production in drilling units takes place. Died in House committee.

HB 2053

(Rep. Jonathan Dismang) Requires the state to negotiate with property owners to purchase property at fair market value before filing an eminent domain action; requires the state to pay owner's expenses if final compensation is 10 percent over a state-appraised offered amount. Recommended for interim study.

HB 2071

(Rep. Barry Hyde) Prohibits a contract for the sale of property from conveying the attached mineral rights until the transaction is conveyed to the buyer by deed upon the final payment, unless the buyer and seller agree otherwise in writing. Died on the Senate calendar.

HB 2251

(Rep. John Lowery) Allows a county or city to exercise eminent domain to condemn an industrial or commercial site that is in danger of closing if it has employed at least 50 employees for at least five years and the owner is insolvent. Died in Senate committee.

SB 9

(Sen. Denny Altes) 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. Died in House committee.

SB 551

(Sen. Gene Jeffress) Provides lignite mineral interests not used for 20 years extinguishes and reverts to the owner of the interest out of which the lignite mineral interest was severed; prescribes activities that create a presumption of use. Withdrawn from further consideration.

SB 795

(Sen. Paul Miller) Revises provisions relating to contracts for sale of real property. Died in Senate committee.

SB 879

(Sen. Gene Jeffress) Gives severed mineral rights owners an easement for surface access and use; gives surface owners 60-day period to object to a written development plan from a mineral developer; makes developer liable for surface damage after the notice. Withdrawn from further consideration.

SB 914

(Sen. Mary Anne Salmon) Clarifying the rights of a property owner and a mineral interest owner in the State of Arkansas. Died in Senate committee.



Retail / Merchants

HB 1661

(Rep. Gene Shelby and Sen. Bill Pritchard) Makes alcopops, defined as flavored malt beverages, subject to alcoholic beverage tax of \$1 per gallon for alcohol content of 5-20 percent, 50 cents per gallon for alcohol content less than 5 percent; sets fines for sales to underage buyers. Died in House committee.

SB 536

(Sen. Bill Pritchard and Rep. Gene Shelby) Restricts sales of alcopops (flavored malt beverages) to retail liquor stores, makes alcopops subject to alcoholic beverage taxes at rates depending on their alcohol content, and provides penalties for furnishing alcopops to underage persons. Recommended for interim study.

Rules – Ethics / Lobbying / Voting

HB 1016

(Rep. Dan 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. Died in House committee.

HB 1339

(Rep. Eddie Cooper and Sen. Terry Smith) Amends election law to adopt the Agreement Among the State to Elect the President by Nationwide Popular Vote. Died in Senate committee.

SB 883

(Sen. Gilbert Baker and Rep. James McLean) Prohibits certain public officials from registering as lobbyists for one year after completion of term in elective office or termination from state employment; includes constitutional officers, legislators, agency heads and various assistants. Died in Senate committee.

SB 978

(Sen. Steve Bryles) Amending Arkansas law concerning ethics requirements for elected and appointed officials, public employees and lobbyists. Died in Senate committee.

State Government

HB 1016

(Rep. Dan 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. Died in House committee.

HB 1020

(Rep. Andrea 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. Died in House committee.

HB 1053

(Rep. Dan 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. Died in House committee.

HB 2054

(Rep. Jonathan Dismang) To reallocate funds in the Tobacco Settlement Proceeds Act. Recommended for interim study.

HB 2242

(Rep. Robbie Wills and Sen. Terry Smith) Revises provisions governing

the conduct of lotteries for the benefit of scholarships and grants. Died in House committee.

SB 10

(Sen. Denny 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. Died in Senate committee.

SB 395

(Sen. Steve Faris) Authorizes the President Pro Tempore of the Senate to administer oaths to Senate members and witnesses; authorizes the Senate and House to certify to the circuit court a refusal to appear under subpoena or produce subpoenaed material. Withdrawn from further consideration.

SB 802

(Sen. Bill Pritchard) Requires the regular session of the General Assembly be moved from even-numbered years to odd-numbered years and that the fiscal session be held in odd-numbered years. Recommended for interim study.

SB 1010

(Sen. Mary Anne Salmon) To amend Title 8 to eliminate duplication of environmental laws and regulations. Died in Senate committee.

Taxes – Income Taxes

HB 1045

(Rep. Roy Ragland and Sen. Terry Smith) 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. Died in Senate committee.

HB 1059

(Rep. Tracy Pennartz) Creates an income tax credit for 20 percent 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. Withdrawn from further consideration.

HB 1060

(Rep. Tracy Pennartz) Creates an income tax credit for 20 percent 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. Recommended for interim study.

HB 1164

(Rep. Randy Stewart) 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. Recommended for interim study.

HB 1165

(Rep. Randy Stewart) 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. Died in House committee.

HB 1245

(Rep. Jane English) Exempts military retirement pay from Arkansas income tax. Recommended for interim study.

HB 1254

(Rep. Jon Woods) Provides an income tax credit to taxpayers donating postnatal tissue and fluid to the Newborn Umbilical Cord Blood Bank. Died in House committee.

HB 1378

(Rep. Allen Maxwell) 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. Died in Senate committee.

**HB 1441**

(Rep. Bill Sample) 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. Recommended for interim study.

HB 1447

(Rep. Jon Woods and Sen. Johnnie Key) Exempts up to \$10,000 per year of bonus pay and all overtime pay from the Arkansas income tax. Died in House committee.

HB 1563

(Rep. Jonathan Dismang) Exempts the service pay and allowances of all active duty military personnel beginning with tax year 2009 from Arkansas state income tax. Recommended for interim study.

HB 1599

(Rep. Davy Carter) Creates an income tax deduction of 125 percent of the contributed amount for charitable contributions to nonprofit organizations. Recommended for interim study.

HB 1643

(Rep. Davy Carter) Increases the standard income tax deduction allowed per individual from \$2,000 to \$2,500. Died in House committee.

HB 1686

(Rep. Curren Everett) Creates an income tax credit of five percent of the amount of overtime wages that a utility worker performed in a county that was declared a state disaster area, limiting the credit to \$400 and providing that the credit may not be carried forward. Died in Senate committee.

HB 1696

(Rep. Jonathan Dismang) Creates an income tax credit of 10 percent of the amount paid by an employer for insurance premiums on employee health benefit plans and sets the maximum credit allowed at \$15,000. Recommended for interim study.

HB 1748

(Rep. Steven Breedlove) Creates an income tax deduction for the cost of purchasing solar energy systems. Died in Senate committee.

HB 1836

(Rep. Lance Reynolds) Creates an income tax credit for 50 percent of the cost of vehicles and related property that utilize compressed natural gas, liquefied natural gas, or liquefied petroleum as fuel. Died in House committee.

HB 1861

(Rep. Jane English) Increases from 50 percent to 75 percent the income tax credit under the Emerging Technology Development Act of 1999, renames the Act, and adds alternative fuel sources, wind power and electric vehicle equipment as qualifying technologies. Died in House committee.

HB 1911

(Rep. Keith Ingram) Allows for a carryover of the net loss of a business to the next tax year up to 15 years, previously limited to five years, if the loss occurred after January 1, 2009. Died in Senate committee.

HB 1995

(Rep. Pam Adcock) Creates an income tax credit for 50 percent of the net capital gain from the sale of a mobile home part to a resident buyers' association. Recommended for interim study.

HB 2001

(Rep. Richard Carroll) Provides a credit against income tax of 25 percent of the taxpayer's railroad

freight system capital expenditures used to build new infrastructure property where rail freight system infrastructure does not currently exist. Died in House committee.

HB 2008

(Rep. Kathy Webb) Creates an income tax credit of 30 percent of the cost of equipment used to collect, clean, compress, and transport landfill methane gas as an alternative energy source for commercial purposes. Recommended for interim study.

HB 2010

(Rep. Jon Woods) 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. Died in House committee.

HB 2062

(Rep. Wilhelmina Lewellen) Creates an income tax exemption for individuals who are 72 years of age or older and have a net income of \$30,000 or less. Died in House committee.

HB 2077

(Rep. Kathy Webb) Allows a contractor to claim an income tax credit of up to \$4,000 for the costs of energy efficient materials and systems incurred in the construction of a residential property with a certified efficiency rating that exceeds certain specifications. Recommended for interim study.

HB 2093

(Rep. Dan Greenberg) Proposes to amend 26-51 to lower future income tax rates. Died in House committee.

HB 2255

(Rep. Mike Patterson) Creates an income tax credit for manufacturers. Died in House committee.

SB 8

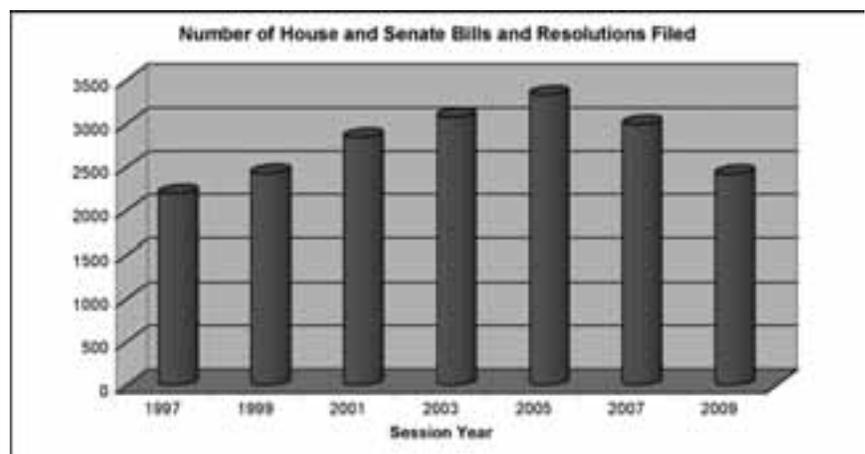
(Sen. Denny Altes) Creates an income tax credit for purchases of systems and components that use a renewable resource as a source of energy or that offset the consumption of traditional energy. Died in Senate committee.

SB 9

(Sen. Denny Altes) 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. Died in House committee.

SB 11

(Sen. Denny 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. Died in Senate committee.

SB 13

(Sen. Denny Altes) 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). Died in Senate committee.

SB 22

(Sen. Denny Altes) 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. Died in Senate committee.

SB 24

(Sen. Denny Altes) Increases the income tax exemption for capital gains from 30 percent of net capital gains to 65 percent. Died in Senate committee.

SB 157

(Sen. Bill Pritchard and Rep. Randy Stewart) Exempts the first \$12,000 in military retirement income and pension from state income tax. Recommended for interim study.

SB 333

(Sen. Denny Altes and Rep. Frank 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. Withdrawn from further consideration.

SB 363

(Sen. Larry 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. Died in Senate committee.

SB 640

(Sen. Gene Jeffress) Provides an income tax credit for qualified railroad reconstruction or replacement expenditures. Died in Senate committee.

SB 986

(Sen. Johnny Key) Increases the retirement benefits exemption from state income tax from \$6,000 to \$10,000; requires the Chief Fiscal Officer to incorporate a yearly cost-of-living adjustment into increasing exemptions; effective January 1, 2009. Died in Senate committee.

Taxes – Miscellaneous Tax Issues

HB 1032

(Rep. Mark 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. Withdrawn from further consideration.

HB 1317

(Rep. Tommy Lee Baker) Removes the requirement that a first class city must have a city park of 1,000 or more acres to levy the additional 1 percent local tax (hotel, motel, hamburger tax) and authorizes cities of the second class and incorporated towns to levy the tax. Died in House committee.

HB 1358

(Rep. Bill Sample) Exempts natural gas purchased for personal domestic use from state gross receipts taxes; levies a 4 percent excise tax on those purchases, but provides for a reduction of 1 percent when general revenue from gross receipts taxes exceeds \$150 million. Recommended for interim study.

HB 1947

(Rep. Ed Garner) Exempts a net capital gain from income tax if the gain arose from the sale of real or tangible property located in Arkansas or intangible property in an Arkansas company. Recommended for interim study.

HB 1965

(Rep. Davy Carter) Exempts distillate special fuel used in farm truck tractors for agricultural business from the excise tax on the fuel; requires licensing of the operator as a consumer of distillate special fuel for that purpose. Died in House committee.

HB 1981

(Rep. Jonathan Dismang) Changes the due date for corporate franchise tax report from May 1 to the due date for the corporation's federal income tax report and caps the amount of the tax at \$150; makes DFA the administrator rather than Secretary of State. Recommended for interim study.

HB 2108

(Rep. Jon Woods) Proposes changing to origin sourcing for sales. Died in House committee.

HB 2205

(Rep. Steve Harrelson) Revises the method for taxation of amusement machines. Died in House committee.

HB 2248

(Rep. Davy Carter) Exempts the net capital gain from the sale of a new business start-up if the business employed three or more for at least six months. Died in House committee.

SB 10

(Sen. Denny 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. Died in Senate committee.

SB 24

(Sen. Denny Altes) Increases the income tax exemption for capital gains from 30 percent of net capital gains to 65 percent. Died in Senate committee.

SB 90

(Sen. Henry "Hank" Wilkins) 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. Died in Senate committee.

SB 221

(Sen. Randy Laverty) Increases the insurance premium tax. Withdrawn from further consideration.

SB 608

(Sen. Shane Broadway) Authorizes improvement districts using county collectors for collection of district dues to assess a levy against all existing parcels on the tax books for the year; prescribes procedures required of districts and county clerks and treasurers. Died in House committee.

SB 973

(Sen. Sue Madison) Amending the tax provisions in Title 26 to provide for the tax treatment of wind power. Recommended for interim study.

Taxes – Property Taxes

HB 1323

(Rep. Ed Garner) 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. Died in House committee.

**HB 1850**

(Rep. John Paul Burris) Reduces the homestead property tax by \$400, effective for 2009 and subsequent tax years. Recommended for interim study.

HB 2156

(Rep. Nathan George) To provide a method for determining the average value of the poultry inventory of an integrated poultry company for the assessment of a personal property tax. Died in House committee.

HB 2162

(Rep. John Lowery) To amend the ad valorem assessment laws and clarify the applicability of and exemptions to such laws. Died in House committee.

HB 2210

(Rep. Jonathan Barnett) Exempts from property tax all real and personal property owned the Masonic Lodge of Arkansas, except for property leased to another party or used directly or indirectly for profit. Died in House committee.

SB 336

(Sen. Kim 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. Died in Senate committee.

Taxes – Sales And Use Taxes**HB 1055**

(Rep. Debra 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. Died in House committee.

HB 1056

(Rep. Debra Hobbs) Creates a sales tax exemption for proceeds from a rebate on a motor vehicle. Died in House committee.

HB 1084

(Rep. Lindsley Smith) Provides that the sales tax exemption for the sale of packaging materials to manufacturers only applies to biodegradable or recycled packaging materials. Recommended for interim study.

HB 1145

(Rep. Pam Adcock) 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. Withdrawn from further consideration.

HB 1150

(Rep. Randy Stewart) Creates an exemption from sales tax for the sale of lawn care services to non-perpetual care cemeteries. Died in House committee.

HB 1179

(Rep. John Paul Burris) 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. Withdrawn from further consideration.

HB 1225

(Rep. Eddie Cooper) 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. Died in Senate committee.

HB 1284

(Rep. Uvalde Lindsey) Amends definitions regarding the tax exemption

for manufacturing machinery equipment repairs and partial replacements. Died in House committee.

HB 1328

(Rep. Pam Adcock and Sen. Bill Pritchard) Increases the exemption from sales tax on purchases of low-cost vehicles from \$2,500 to \$5,000. Died in House committee.

HB 1360

(Rep. Bill Sample) Exempts Teen Challenge of Arkansas, Inc. from payment of sales and use tax on its purchases of tangible personal property or service. Died in House committee.

HB 1454

(Rep. Frank Glidewell) Eliminates the state portion of the sales and use tax on food. Died in House committee.

HB 1484

(Rep. Linda Tyler and Sen. Gilber Baker) Increases the exemption from sales tax on purchases of new or used motor vehicles, trailers and semitrailers from vehicles costing less than \$2,500 to the first \$5,000 of the purchase price. Died in House committee.

HB 1490

(Rep. Pam Adcock) Creates a sales tax exemption for the sale of hearing aids. Died in House committee.

HB 1491

(Rep. George Overbey) Exempts short-term vehicle rentals from sales tax when the rental is part of a warranty or extended service contract, whether the rental is provided by the dealer, manufacturer, or a third party. Died in Senate committee.

HB 1608

(Rep. Steven Breedlove) Adds twine used for bailing hay to the sales tax exemption for other agricultural bagging, tying and packaging materials. Died in House committee.

HB 1610

(Rep. Ed Garner and Sen. Gilber Baker) Creates a sales tax credit for up to \$1,000 against the cost of certified services or other costs that businesses incur in order to comply with the changes made under the Streamlined Sales and Use Tax Agreement. Died in House committee.

HB 1614

(Rep. Mark Martin) Creates a sales tax exemption for sales to or on behalf of permanently disabled veterans for up to \$25,000 in purchases per year. Died in House committee.

HB 1664

(Rep. Davy Carter) Creates a sales tax exemption for the sale of cremation urns, caskets, grave markers, monuments, mausoleum plates and vaults. Died in House committee.

HB 1802

(Rep. Mike Burris) Exempts from sales tax the entire purchase price (previously the first \$50,000) of equipment and machinery used to harvest timber. Recommended for interim study.

HB 1835

(Rep. Mike Burris and Sen. Gene Jeffress) Exempts wholesale electricity generators that use natural gas from the excise tax on natural gas. Died in House committee.

HB 1886

(Rep. John Lowery) Creates a sales tax exemption for water sold by a Sparta Aquifer critical groundwater county conservation board. Died in House committee.

HB 1888

(Rep. John Lowery) Creates a sales tax exemption for B.I.G. Love Cancer Care Services, a nonprofit corporation. Died in House committee.

**HB 1905**

(Rep. Larry Cowling and Sen. Larry Teague) Exempts from sales tax the utilities used in certain agriculture, horticulture, and aquaculture equipment and structures, levies an excise tax of 4.875 percent beginning in 2011, and incrementally reduces the excise tax to 0.125 percent in 2015. Died in Senate committee.

HB 1914

(Rep. Larry Cowling) Exempts agricultural utilities taxed under ACA 26-52-322 from sales and use taxes, the 3 percent excise tax and additional excise taxes, levying instead a 0.125 percent excise tax and other additional rates per kilowatt hour, cubic foot, and gallon of gas. Recommended for interim study.

HB 1915

(Rep. Larry Cowling) Exempts electricity, natural gas and propane gas taxed under ACA 26-52-322 from sales and use taxes, compensating use and additional excise taxes, levying instead a 0.375 percent excise tax in addition to other additional rates per unit. Recommended for interim study.

HB 1945

(Rep. Robert Moore, Jr.) Includes dietary supplements in the definition of food and food ingredients for purposes of reduced sales tax. Died in House committee.

HB 1949

(Rep. Davy Carter) Extends the deadline for filing a rebate on local sales and use tax from six months from the date of the purchase or from the date of the tax payment, to the later of three years from the purchase date or two years from the date of the tax payment. Died on the House floor.

HB 1987

(Rep. Buddy Lovell) Amends sales and use tax laws to conform with the Streamlined Sales Tax Agreement. Withdrawn from further consideration.

HB 2042

(Rep. Toni Bradford) Creates a sales tax exemption for goods and services sold to the Seabrook Christian Family Center, Inc. Died in House committee.

HB 2059

(Rep. John Lowery) Creates a sales tax exemption for goods and services sold to the Camp Fire USA of El Dorado. Died in House committee.

HB 2060

(Rep. John Lowery) Creates a sales tax exemption for goods and services sold to the SHARE Foundation of El Dorado. Died in Senate committee.

HB 2083

(Rep. Mark Perry) Creates a sales tax exemption for sales of personal property or services to Arkansas Ducks Unlimited. Died in House committee.

HB 2104

(Rep. Allen Maxwell) Incrementally decreases the percentage of taxes levied on the sale of gas and electricity for use in manufacturing to 1.875 percent in 2010. Died in House committee.

HB 2120

(Rep. Mike Burris) Reduces the sales and use tax rate on natural gas and electricity used in manufacturing from 4.375 percent to 2.875 percent beginning in July 2009. Died in House committee.

HB 2122

(Rep. Steve Harrelson) Exempts raw food products from a farm,

orchard or garden sold at a farmer's market from the sales and use tax. Died in House committee.

HB 2142

(Rep. Steve Harrelson) Creates a sales tax exemption for mini-warehouse and self-storage rental services. Died in House committee.

HB 2165

(Rep. Larry Cowling) Authorizes a sales tax credit for the amount of sales tax in excess of the tax due on the first \$2,500 paid for parts or labor for agricultural equipment. Recommended for interim study.

HB 2166

(Rep. Larry Cowling) Creates a sales tax exemption for parts or labor purchased for agricultural equipment. Recommended for interim study.

HB 2183

(Rep. Mark Martin) Exempts purchases by or for a disabled veteran up to \$25,000 from the sales and use tax. Died in House committee.

HB 2202

(Rep. Tiffany Rogers and Sen. Denny Altes) Creates an annual back-to-school sales tax holiday for purchases of clothing on the first Saturday in August. Died in Senate committee.

HB 2209

(Rep. Jonathan Barnett) Exempts purchases of personal property and service by Earth Mission, Inc. from gross receipts tax. Died in House committee.

HB 2250

(Rep. Mike Burris) Authorizes a sales and use tax reduction for natural gas provided to manufacturers that use high efficiency electric power generators, decreasing by 1 percent annually until July 1, 2012. Died in Senate committee.

HB 2275

(Rep. R.D. "Rick" Saunders) Revises the distribution of net revenue from subsequent countywide sales and use taxes levied for criminal justice purposes. Died in House committee.

SB 4

(Sen. Denny Altes) Creates a sales and use tax exemption for the Disabled American Veterans Organization. Died in Senate committee.

SB 5

(Sen. Denny Altes) Creates a sales and use tax exemption for all utilities used by manufacturers in the manufacturing process. Died in Senate committee.

SB 6

(Sen. Denny Altes) Creates a sales and use tax exemption for farm equipment and machinery repair parts. Died in Senate committee.

SB 7

(Sen. Denny 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. Died in Senate committee.

SB 12

(Sen. Denny Altes) Creates a back-to-school sales tax holiday for clothing purchases on the first Saturday in August of each year. Died in Senate committee.

SB 95

(Sen. Gilbert Baker) Creates a sales tax exemption for sales to the Arkansas Floodplain Management Association. Died in House committee.

SB 96

(Sen. Gilbert Baker) 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. Died in Senate committee.

SB 223

(Sen. Randy Laverty) Exempts from sales and use tax binder twine and other supplies used by farmers to bale agricultural products. Recommended for interim study.

SB 833

(Sen. Barbara Horn) Provides schedule for incremental reduction of sales and use tax on utilities used by wood and agricultural manufacturers, beginning July 1, 2009. Died in Senate committee.

SB 834

(Sen. Barbara Horn) Provides schedule for incremental reduction of sales and use tax on utilities used by manufacturers, beginning July 1, 2009. Died in Senate committee.

SB 835

(Sen. Barbara Horn) Provides schedule for incremental reduction of sales and use tax on utilities used by agricultural businesses, beginning July 1, 2009. Defines agricultural business and defines utility to include gas, electricity, and liquefied petroleum gas. Died in Senate committee.

SB 909

(Sen. Mary Anne Salmon) Exempts sales of tangible property sold by a school from the sales and use tax if the proceeds are dedicated to an endowment for the school, or used to defray operations or activity costs of the school. Died in Senate committee.

SB 990

(Sen. Jimmy Jeffress) Reduces the sales tax on utilities used by generators of electric power that use natural gas and that limit emissions to certain standards. Died in Senate committee.

SB 1003

(Sen. Larry Teague) Exempts intangibles of providers of commercial mobile services from the ad valorem tax; requires claimants to submit costs of broadband deployment. Died in Senate committee.

Technology

SB 31

(Sen. Kim Hendren) Requires drivers to use hands-free cellular phones and specifies that a \$50 fine be issued for a second offense following a warning on the first offense. Died in Senate committee.

Transportation

HB 1148

(Rep. Clark Hall) 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 percent over its authorized weight. Died in Senate committee.

HB 1482

(Rep. Stephanie Flowers) 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. Withdrawn from further consideration.

HB 1494

(Rep. Stephanie Flowers) Requires a certificate of inspection be obtained before registration of a vehicle, provides that the fee be less than \$10, and no more than \$30 for overweight vehicles and trailers, and

authorizes traffic stops for suspected noncompliance. Withdrawn from further consideration.

HB 1635

(Rep. Gregg Reep) Declares businesses that provide support services for rail transportation eligible under the Consolidated Incentive Act of 2003. Died in House committee.

HB 1683

(Rep. Jonathan Barnett) Creates the Regional Mobility Fund to distribute money to Regional Mobility Authorities that register with the State Treasurer. Died in House committee.

HB 1684

(Rep. Jonathan Barnett) Creates the Regional Mobility Grant Program to be administered by the State Highway Commission and provide grants for operating expenses, studies and development of regional transportation projects. Died in House committee.

HB 1786

(Rep. Steven Breedlove) Exempts pole trailers and certain cargo vehicles under 10 feet in length from the trailer registration requirements of the Uniform Motor Vehicle Administration, Certificate of Title, and Antitheft Act. Died in House committee.

HB 1887

(Rep. John Lowery) Adds asphalt to the list of special loads (sand, gravel, stone) to which a 34,000-pound tandem axle limit and other special limits apply. Died in House committee.

HB 2123

(Rep. Steve Harrelson) Titles as the Arkansas Capital Plan for Rail Projects Act of 2009; to address the need to construct, improve, and invest in rail or railroad infrastructure. Died in House committee.

HB 2194

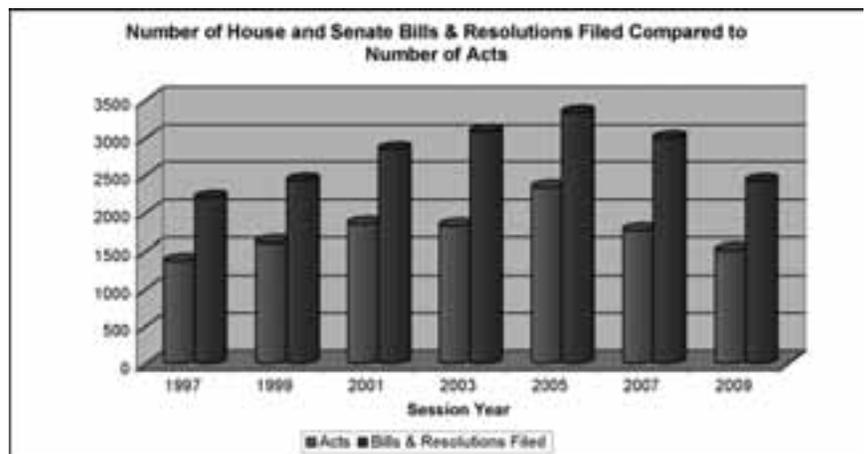
(Rep. Beverly Pyle) Revises the maximum speed that a truck and trailer may travel on interstate highways or controlled-access highways. Withdrawn from further consideration.

SB 124

(Sen. Kim Hendren) 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. Recommended for interim study.

SB 126

(Sen. David Johnson) 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. Died in House committee.

SB 640

(Sen. Gene Jeffress) Provides an income tax credit for qualified railroad reconstruction or replacement expenditures. Died in Senate committee.

SB 951

(Sen. Kim Hendren) Requires all drivers over the age of 18 to use hands-free wireless devices rather than just drivers between 18 and 21. Died in Senate committee.

Utilities

HB 1417

(Rep. Fred Allen and Sen. Paul Bookout) 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. Died in House committee.

HB 1851

(Rep. Kathy Webb) Requires electric utilities to purchase at least two percent of annual electricity supply from a renewable electric generation facility. Died in House committee.

HB 1903

(Rep. Joan Cash) Requires gas and electric utilities to submit annual energy efficiency plans to the Public Service Commission that will provide incremental savings on retail energy sales; allows for recovery of a certain level of the program costs. Recommended for interim study.

HB 2197

(Rep. Curren Everett) Authorizes quorum courts to determine by ordinance a surcharge on 911 calls not to exceed 50 cents. Died in House committee.

HB 2262

(Rep. Steve Cole) Provides incentives for development of Internet access in Arkansas. Died in House committee.

HB 2267

(Rep. Monty Davenport) Defines cable television contractor as entity providing cable or video services for the Internet, telephone and television. Makes cable television service contracts voidable for 120 days after establishment of the service. Died in House committee.

SB 808

(Sen. Barbara Horn) Establishes the General Elections Reimbursement Fund to cover the cost of operating elections incurred by the State Board of Elections Commissioners. Died in Senate committee.

Workers' Compensation

HB 1187

(Rep. Garry Smith) Allows full workers' compensation benefits for job injuries to persons retired under the State Highway Employees' Retirement System, in addition to retirement benefits. Died in House committee.

HB 1266

(Rep. Garry Smith) Creates the Police Officer Death Benefits Trust Fund and provides for the deposit of \$1 additional assessment on citations issued by police officers; specifies eligibility requirements for payments to children of police officers. Withdrawn from further consideration.

HB 1314

(Rep. Tommy Lee Baker) 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. Died in House committee.

HB 1864

(Rep. Rick Green) To provide transparency and accountability of worker's compensation self-insurer guaranty funds. Recommended for interim study.

SB 237

(Rep. Joyce 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. Died in Senate committee.



*Angela DeLille
Director of Governmental Affairs
Arkansas State Chamber
of Commerce/Associated Industries
of Arkansas*

Angela DeLille joined the Arkansas State Chamber of Commerce and Associated Industries of Arkansas staff in September 2002. As Director of Governmental Affairs, she helps develop and implement State Chamber/AIA legislative strategies at both the state and national level.

Angela works with State Chamber/AIA Executive Vice President, Kenny Hall, to represent the positions of the two organizations on issues related to, and focusing on, the enhancement of a quality business climate in Arkansas before various government entities, including the legislature, the governor's office and various state agencies, committees and boards.

In addition to state legislative activities, she develops the annual State Chamber/AIA National Affairs Agenda and works with the U.S. Chamber of Commerce and National Association of Manufacturers to improve the Nation's business climate.

Angela helped the State Chamber/AIA establish a permanent presence in Northwest Arkansas by moving there in 2007. She works out of an office at the Fayetteville Chamber of Commerce.

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APPENDIX 2009: ARKANSAS LEGISLATIVE AGENDA

October 2008

Mission¹

The mission of the Arkansas State Chamber of Commerce and Associated Industries of Arkansas, Inc is to continually enhance the economic climate in Arkansas.

Priority Issues

During the 87th General Assembly, the State Chamber/AIA's top priorities will be:

Lead the effort to pass a sales tax exemption for energy used in industry and manufacturing.

Protect the education reforms passed in 2003-04.

Protect the legal reforms enacted by Act 649 of 2003.

Protect the workers' compensation reforms enacted by Act 796 of 1993

General Issues (Listed Alphabetically)

Economic Development

Support the Arkansas Economic Development Commission's legislative package as endorsed by the Arkansas Economic Developers and Arkansas Chamber of Commerce Executives.

Support other legislation that will enhance economic development in Arkansas that is recommended by the Arkansas Economic Developers.

Support proactive legislation that will attract and keep jobs in the State of Arkansas.

Support legislation that encourages venture capital investment in Arkansas.

Education (P-12, Higher Education & Workforce Development)²

Support legislation that preserves and/or enhances the education reform measures supported by and consistent with the State Chamber/AIA's Position Statement on Education, specifically including, but not limited to, the Omnibus Education Act, the Act 35 Accountability legislation, including the mandatory minimum 38 unit curriculum requirement and mandatory four AP course offering requirement in every secondary school and the creation of high quality curriculum delivery systems such as distance learning and other similar classroom enhancement programs. While we are supportive of concurrent credit opportunities, we will protect and defend the requirement to provide a minimum of four Advanced Placement courses available to every Arkansas high school student.

Support legislation that would improve education in Arkansas through the development and implementation of increased rigor, relevance and relationships in the Arkansas high school experience, which are consistent with the State Chamber/AIA's previous positions on Education.

Support legislation that aids the recruitment and retention of quality teachers in the state's education system including but not limited to pay for performance systems.

Monitor debate over whether the General Assembly should be able to dictate how some state funds are spent on education and support legislation that puts a priority on expenditures that yield real academic improvement such as NSLA funds spent on teacher salaries.

Support statewide formative assessment practices that give administrators, teachers and students feedback on the effectiveness of classroom instruction.

Support the establishment of an educational delivery system that has the infrastructure to ultimately remove the "opt out" provision, thereby assuring every child will be provided with the Smart Core Curriculum.

Support the education-based legislative agendas of the STEM Coalition, Accelerate Arkansas and Economics Arkansas as approved by the State Chamber/AIA Executive Committee.

Endorse the relevance and importance of the Arkansas Task Force on Higher Education Remediation, Retention and Graduation Rates' ultimate goal of reaching the Southern Regional Education Board's average for Arkansas citizens holding a bachelor's degree by 2015.

Support greater accountability of higher education in Arkansas that serves the state's economic and workforce development needs.

Support the continuation, expansion and coordination of productive, efficient and accountable workforce development programs.

Evaluate the recommendations of the Governor's Cabinet on Education and Workforce Development and support initiatives, such as certificates of readiness, which are recommended and approved by the State Chamber/AIA Executive Committee.

Energy and Environment³

We believe all energy policy decisions must be made based on facts and sound economic justification. Any changes in the state's environmental policy must balance environmental concerns with economic development concerns. Arkansas's families, businesses, schools and government agencies must have the energy necessary to keep our economy growing. Environmental policy should recognize that Arkansas businesses must be competitive nationally and globally. At the same time, Arkansas businesses should be good stewards of the environment and the energy supply by taking a balanced approach to the use of energy efficient programs and technologies. Without this balance, consumers will bear the costs of both inefficient operations and overreaching government programs. Accordingly, the State Chamber/AIA Task Force on Energy will review and analyze environmental legislation proposed or filed in the 2009 Legislative Session and provide position recommendations to the staff and Executive Committee.

Protect and promote the exploration and production of Arkansas's natural resources.

Support the environmental legislative agenda developed by the Arkansas Environmental Federation (AEF) as approved by the State Chamber/AIA Executive Committee.

Health Care⁴

Encourage the development of a properly designed and equitably funded statewide trauma system. We also support efforts to improve public safety, such as primary seat belt laws, helmet laws and graduated drivers' licenses, which would reduce the instances of trauma in Arkansas.

Oppose health care mandates that would increase health care costs.

Support pharmacy benefit management as a tool to reduce health care costs.

Oppose any efforts to use the Patient Protection Act (commonly referred to as Any Willing Provider) as a mechanism to limit or prohibit individual negotiations with hospitals. And, support additional legislation that clarifies the right between the hospital and the health insurer to negotiate in good faith based upon relevant factors, including but not limited to the scope of total health care services provided by a hospital.

Support the health care legislative agenda developed by the Arkansas Employers Health Care Coalition (AEHC) as approved by the State Chamber/AIA Executive Committee.

Oppose legislation that would require businesses to pay for or provide a specified level of health care coverage to their employees.

Immigration

We view immigration as a federal issue and support federal government comprehensive immigration reform including security of



our borders, providing for an expanded work visa program to meet the growing needs of business to find an adequate workforce and dealing strongly with criminal activity of anyone, no matter what their origin. We believe all individuals should work within the law. We believe that Arkansas welcomes diversity. 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. We believe the business community should have the necessary tools to comply with laws without significant financial burden.

Labor and Employment

Oppose attempts to enact a Public Employee Collective Bargaining Act.
Oppose legislation that requires public or private employers to withhold union dues from employee pay checks.
Oppose any and all attempts to repeal, reverse or limit in any way the Arkansas Right-to-Work law.

Seek a resolution asking our congressional delegation to oppose the proposed Employee Free Choice Act, aka, union card check legislation, which is expected to be considered in the next Congress.

Manufacturing

Lead the effort to pass a sales tax exemption for energy used in industry and manufacturing.

Miscellaneous

Support appropriate legislation to discourage theft of copper and other types of metals without imposing unnecessary operating costs or restrictions on business and industry.

Taxation

Lead the effort to pass a sales tax exemption for energy used in industry and manufacturing.

Seek to extend the period of time available to claim rebates of all excess local sales and use tax collections derived from removing the local tax caps on business purchases at the time of purchase.

Limit the sales and use taxation of out-of-state services consistent with the Streamlined Sales and Use Tax Agreement.

Oppose unitary combined income tax reporting

Oppose new taxes on business services

Seek a sales and use tax exemption for repairs of manufacturing machinery and equipment

Support the state's three-pronged tax system of property taxes, income taxes and sales taxes.

Oppose attempts to shift tax responsibility from property and income taxes to sales taxes.

Oppose the repeal of property taxes.

Oppose attempts to shift tax responsibility to business and industry.

Monitor attempts to update or repeal business incentives enacted over the years and make certain that no incentives are eliminated that are deemed necessary by specific businesses or industries.

Support existing sales and use tax exemptions and proposed new exemptions designed to promote business and industry in Arkansas.

Support the current legal requirements for passage of taxes.

Support reduction and repeal of the state and federal capital gains tax rate.

Maintain historic opposition to any erosion of tax base that does not promote economic development.

Support continuation of current legislative system of meeting every other year.

Tort Reform

Protect the legal reforms enacted by Act 649 of 2003.

Monitor and oppose other legal, regulatory or consumer protection reform legislation which is adverse to business.

Transportation

The State Chamber/AIA believes that adequate transportation is vital to the economic success of the state. We will examine and support well-reasoned and balanced plans to improve surface transportation as well as the development needs of the Arkansas waterways navigation system, rail and intermodal transportation.

Unemployment Insurance⁵

The State Chamber/AIA Unemployment Insurance Committee will review and authorize its management representatives to negotiate with labor through the state Department of Workforce Services' ESD Advisory Council.

Oppose any legislation that is a detriment to a sound unemployment compensation system.

Protect the Department of Workforce Services' Employment Security trust fund.

Support legislation that will bring Arkansas' benefit payment amounts in line with surrounding states.

Workers' Compensation⁶

Protect the workers' compensation reforms enacted by Act 796 of 1993

The State Chamber/AIA Workers' Compensation Committee chairmen and the State Chamber/AIA Executive Vice President will conduct negotiations with the Arkansas AFL-CIO in accordance with issues developed by the State Chamber/AIA Workers Compensation Committee.

An important part of any agreement that may be reached between the State Chamber/AIA and Arkansas AFL-CIO is that both sides will oppose all workers' compensation legislation that is not part of the agreement between the State Chamber/AIA and the Arkansas AFL-CIO.



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ARKANSAS DEPARTMENT OF HEALTH

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1-800-QUIT-NOW

**c/o Women's Council
on African American Affairs
2416 S. Chester • Little Rock, AR 72206
501-372-3800 • Fax 501-372-2150**



If an agreement cannot be reached with the Arkansas AFL-CIO on workers' compensation legislation, the State Chamber/AIA will promote legislation, developed and recommended by the State Chamber/AIA Workers' Compensation Committee, that would enhance the business climate in Arkansas and oppose legislation the State Chamber/AIA Workers' Compensation Committee determines would be injurious to the Arkansas business climate.

Footnotes

¹The organizations' approach to accomplish its mission is a strong governmental affairs program. To aid the development of its governmental affairs program, this Agenda was drafted for use by the organization's staff as a guide during the 87th Arkansas General Assembly. The issues contained herein were developed through a series of meetings of the State Chamber/AIA's issue based committees (tax, workers' comp, unemployment insurance/HR, health, education and energy task force). Next, the governmental affairs staff provided a draft to all members of the State Chamber/AIA Board of Directors and Executive Committee.

In addition to guiding the State Chamber/AIA through the 87th General Assembly, it is the organizations' desire that this agenda will be reviewed and considered for adoption in whole or in part by each local chamber of commerce and economic development organization in Arkansas.

The State Chamber/AIA governmental affairs staff will monitor the development of additional issues that may arise in the days before the Arkansas General Assembly convenes in January 2009. The staff will also monitor all bills filed during the 87th General Assembly and track all bills identified as having an impact on business in Arkansas. The tracked bills will be arranged into business categories and reported in the Daily Legislative Update as well as recorded on the organizations' web site.

When issues arise during the session that have not been addressed by this agenda or when issues addressed herein are modified, the State Chamber/AIA governmental affairs staff will take appropriate action to protect the business climate in Arkansas. In accordance with time available, the staff will consult with the organizations' issue committees and/or Executive Committee and/or Board of Directors for guidance on specific issues.

² The State Chamber/AIA played and will continue to play an integral role in helping Arkansas improve its education system. We are committed to continuous improvement of our state's education delivery system to improve outcomes for our children, which is absolutely critical to our state's well being. As a result of our state's educational delivery system being declared unconstitutional in regard to both adequacy and equity due to the Lakeview Decision, the legislature passed Act 35 in 2003. This initiative, along with the subsequent Omnibus Education Act, was a combined effort of the business community, various educational constituencies and legislators from both parties to not only bring our educational delivery system into compliance from an adequacy and equity standpoint, but also for Arkansas to make an unwavering commitment to hold the educational delivery system accountable for the results it is producing. Act 35 and Omnibus has provided a framework of accountability for this state's educational delivery system that not only led our state's educational delivery system to be declared constitutional by the Arkansas Supreme Court, but has also provided a framework for remarkable progress in our state's educational delivery... moving from a ranking previous to its passage by the nationally reputable publication *Education Week* of 49th in overall educational delivery to a ranking of 8th in the nation in the quality of our educational delivery system. However, we have to be ever-vigilant to defend the accountability measures created by Act 35 and the Omnibus Education Act. We believe statewide school improvement has happened because Arkansas finally has strong accountability standards in place. Prior to the 2003/2004 reforms, 13

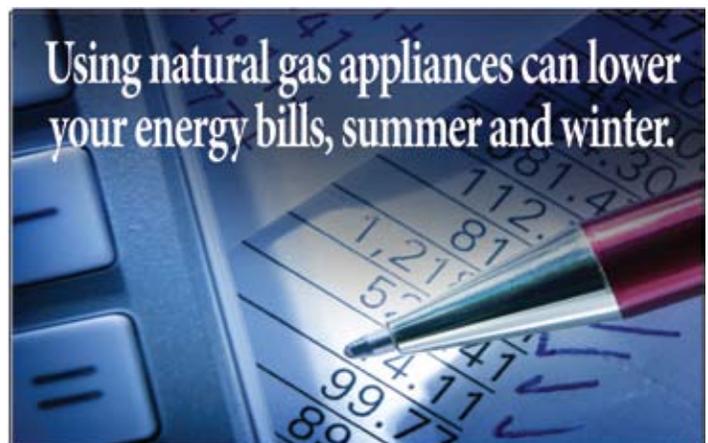
percent of 4th grade students read at the 4th grade level. Today 70 percent of our 4th graders are reading at an even higher reading standard. Accordingly, the State Chamber/AIA is committed to doing everything possible to protect and defend Act 35 and the Omnibus Education Act and aggressively respond to any and all efforts to dilute or undercut our state's educational accountability legislation.

³The State Chamber/AIA Executive Vice President sits as an ex-officio member of the Arkansas Environmental Federation's (AEF) board of directors. The AEF was originally founded as a State Chamber/AIA committee before becoming an independent organization. A majority of AEF's member companies are also members of the State Chamber/AIA. The AEF board is populated by its corporate member environmental experts and environmental consultants.

⁴ The State Chamber/AIA will participate in meetings of the Arkansas Employers Healthcare Coalition (AEHC) and facilitate communication for the coalition. A super majority of the AEHC members are also members of the State Chamber/AIA.

⁵This Council, which consists of five management, five labor and two consumer representatives, reviews ESD staff recommendations for changes to unemployment insurance laws in the state and facilitates negotiations between labor and management on the proposed changes. We appreciate the Governor's recent appointments of State Chamber/AIA recommendations for changes in the management members of the ESD Council.

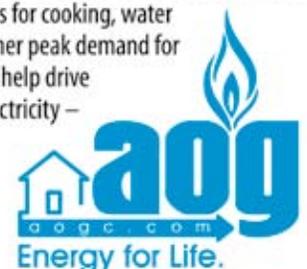
⁶The State Chamber/AIA serves the business community as the watchdog of workers' compensation. Since 1995 the State Chamber/AIA has conducted negotiations with labor through the state AFL-CIO.



Because of its environmental advantages over coal, electric companies are using more and more **natural gas** to generate enough electricity to meet demands. That drives natural gas prices up.

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PINNACLE MEMBERS

The Pinnacle program recognizes the state's outstanding corporate citizens – State Chamber/AIA members who desire to make a significant statement about their participation in Arkansas's future. These leading companies are helping make the state a better place to live, work and conduct business by supplying the leadership and financial support necessary for the State Chamber/AIA to effectively represent the Arkansas business community.

Through the involvement and leadership of senior representatives of their firms, Pinnacle members actively participate in our grassroots action network, work on policy committees and lead the State Chamber/AIA on the Board of Directors. In doing so, these Pinnacle members provide resources necessary for our organization to achieve success while helping to shape the future of Arkansas and enhance its economic climate.



Apex

Entergy Arkansas, Inc.
Wal-Mart Stores, Inc.



Summit

Chesapeake Energy, Inc.
Cox Communications
Tyson Foods, Inc.
XTO Energy, Inc.



Peak

Arkansas Blue Cross and Blue Shield
Arvest Bank
AT&T Arkansas
CenterPoint Energy Southern Gas
Electric Cooperatives of Arkansas
FedEx Freight - East
Georgia-Pacific Corporation
Kraft Foods
Nucor/Nucor-Yamato
Oaklawn Jockey Club
Southern Bancorp, Inc.
Southland Park Gaming & Racing
Southwestern Energy Company
State Farm Insurance
Verizon Wireless
Windstream Corporation



SEECO, Inc. | DeSoto Drilling, Inc. | DeSoto Gathering, LLC



Crown

Acxiom Corporation
 AEP Southwestern Electric Power
 Albemarle
 American Greetings Corporation
 America's Car-Mart
 Arkansas Employees Federal Credit Union
 Arkansas Farm Bureau Federation
 Arkansas Oklahoma Gas Corporation
 Bank of the Ozarks
 BP America
 Cardinal Health
 CenterPoint Energy Gas Transmission Company
 Crossland Construction
 Deltic Timber Corporation
 Evergreen Packaging Co.
 Experian
 Farm Bureau Mutual Insurance Company of Arkansas, Inc.
 Forest Oil Corporation
 Glad Manufacturing/A Clorox Company
 International Paper Company
 Kimberly-Clark Corporation
 Lion Oil Company
 LS Power
 McKee Foods Corporation
 Metropolitan National Bank
 Nabholz Construction Corporation
 National Center for Toxicological Research (NCTR)
 OG+E
 Petrohawk
 Philander Smith College
 RebeccaRice Associates
 Riceland Foods, Inc.
 Russellville Steel Company, Inc
 Signature Bank of Arkansas
 Stephens Inc.
 Suez Energy North America
 The Clorox Company
 The Trane Company
 Transplace
 USBank
 Waste Management
 Weyerhaeuser Company
 Wright Lindsey & Jennings



CardinalHealth



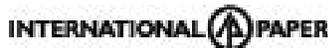
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Wright, Lindsey & Jennings LLP





Business matters.

MEMBERSHIP APPLICATION

Company Name _____

Contact Name (For additional contacts, duplicate this form or write on back.) _____ Title _____

Mailing Address _____ City _____

State _____ Zip _____ Web Address _____

Phone _____ Fax _____ E-Mail _____

Type of Business _____ NAICS _____ # AR Employees _____

Associated Industries of Arkansas is the industrial group of the State Chamber. Occasionally an issue will arise of greater importance to the manufacturing sector than to general business, so AIA may pursue it. If your company's NAISC code begins with a 2 or a 3, you will automatically be included in the membership of AIA as well.

Send completed membership form and payment to: Arkansas State Chamber of Commerce/Associated Industries of Arkansas, P.O. Box 3645, Little Rock, AR 72203-3645. For additional information, contact Susie Marks or Jeff Thatcher at 501-372-2222.

GENERAL PROGRAM

<u>Employees:</u>	<u>Dues:</u>	<u>Employees:</u>	<u>Dues:</u>
1-10	\$300	51-75	\$1,250
11-25	\$500	76-100	\$1,500
26-35	\$750	100-plus	\$2,500
36-50	\$1,000		

PINNACLE PROGRAM

Step up today as a PINNACLE member and take your place as a leading power in Arkansas's business and industry community.

\$35,000 and up	APEX Member
\$25,000	SUMMIT Member
\$10,000	PEAK Member
\$5,000	CROWN Member

COMMITTEES

If you are interested in serving on committees that deal with any of the following issues, please check:

- Education
- Health Care
- Marketing/Membership Development
- National Issues
- Small Business Council
- Tax
- Unemployment Insurance/HR
- Workers' Compensation

METHOD OF PAYMENT

Check Enclosed Send Invoice Please Call Me

Please charge my: AMEX Discover MasterCard Visa

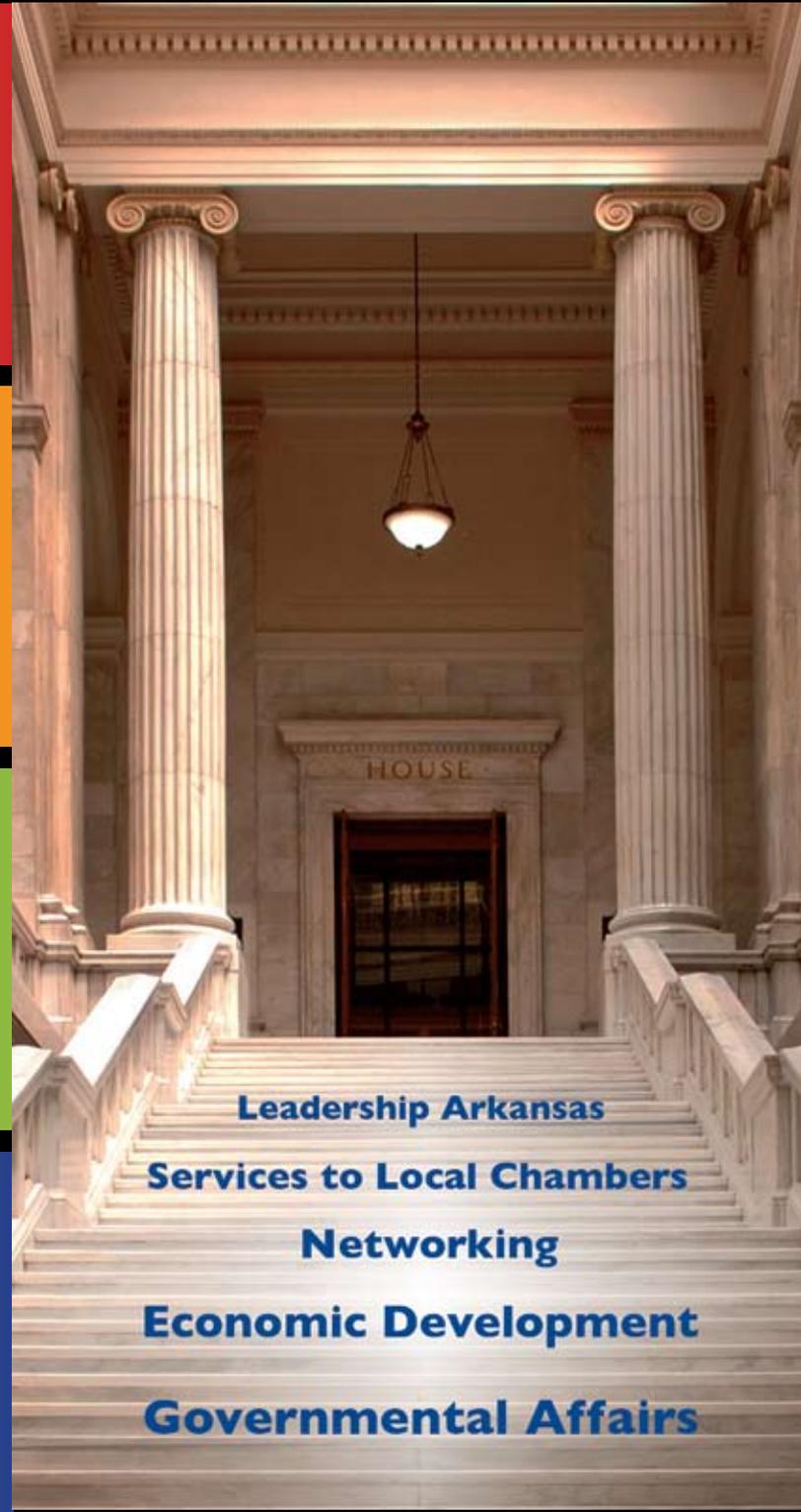
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Leading

the

Business

Community



Leadership Arkansas

Services to Local Chambers

Networking

Economic Development

Governmental Affairs

STEP BY STEP



ARKANSAS
STATE CHAMBER
OF COMMERCE



ASSOCIATED
INDUSTRIES OF
ARKANSAS

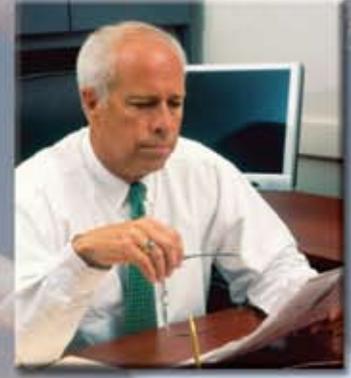
Business matters.

Partners For A Better Workforce



Labor Market Information: (www.discover.arkansas.gov)

- Short-Term and Long-Term Industry and Occupational Trends
- Arkansas Labor Force Statistics
- Covered Employment and Earnings



Employment Services:

- Linking employers with qualified job applicants (www.arjoblink.arkansas.gov) or go to www.awib.arkansas.gov to find the nearest Arkansas Workforce Center)
- New Hire Registry
- Governor's Dislocated Worker Task Force
- Workforce Investment Act Job Training Programs
- Arkansas Career Readiness Certificate (www.ArkansasAtWork.org)



Tax Credits:

- Work Opportunity Tax Credit
As much as:
 - \$2,400 for each new adult hire
 - \$1,200 for each new summer youth hire
 - \$4,800 for each new disabled veteran hire
 - \$9,000 for each new long-term family assistance recipient hired over a two-year period

Unemployment Insurance:

- Employer Unemployment Insurance Liability Determination
- Online Unemployment Insurance Tax Filing, Wage Reporting and Payments (www.ar-tax.org)
- Magnetic Media Wage Reporting
- Department of Workforce Services Law