

Week Thirteen ...

Thank you to the AGRMA members that attended the Retail Day on the Hill last Tuesday in Little Rock. There was a great turn out of Legislators and Staff for the lunch and there have been many complimentary comments.

This is scheduled to be the last week of the session so bills are moving very fast. There are still some bills that AGRMA is very interested in and we need your help!

CALL TO ACTION!!!

As you may know, AGRMA has had a longtime interest in reforming our state's Unemployment Insurance system to reduce fraudulent and mistaken benefits and in having a strong, sustainable UI Trust Fund that provides an important safety net but that is also not so burdensome on the employers who make the system possible.

The Arkansas Grocers and Retail Merchants Association have teamed with the Arkansas Hospitality Association to support a UI reform package and the last two and most important elements, **SB850 and SB875**.

SB850 will reduce Arkansas employers current UI tax burden by \$24,000,000 per year beginning January 1, 2014, providing much needed relief, particularly given the Hundreds of Millions of additional UI taxes employers have paid in recent years to subsidize the UI Trust Fund and pay interest and principal on the state's Federal UI debt. The additional \$24,000,000 in tax relief will be a great companion to the other tax relief and would have no impact on the general fund.

We have worked closely with the Department of Human Services to make sure that the bill is in proper form and the DWS testified in the Senate Public Health committee that the annual \$24,000,000 in reduced funding would not in any way jeopardize the scheduled 2014 payoff of the Federal loan. Additionally, the 2014 and 2015 impact will be largely if not completely offset by the windfall that the Trust Fund will receive from excess employer interest contributions when the Federal UI debt is paid off in 2014.

SB850 ran in committee on Thursday but failed by 2 votes to get out of committee. There were 2 Representatives out of the room that would have voted yes so they will rerun this bill and see if the results don't come out better.

SB875 was signed out of the Senate public health committee two Fridays ago. This bill is the centerpiece of the UI reform because it will insure the solvency of the UI Trust Fund for years to come. SB875 reduces our state's weekly unemployment benefit levels to levels that are comparable to the six neighboring state's in our region. The maximum current weekly benefit of \$451 per week (highest in our seven State region) would reduce to \$325 per week, still higher than the \$308 per week average in our regions. It would reduce other benefits by 10% but leaves the current minimum weekly benefit unchanged. These changes are scheduled to be effective January 1, 2014. No current benefit recipients or initial benefit applicants prior to the effective date will be effected.

DWS projects that there will be a positive impact of approx. \$50,000,000 per year on the Trust Fund when SB875 becomes effective, resulting in a level of fund solvency not seen in 20+ years in just a few years' time. The level of employer funding would still be very substantial (DWS payout approx. \$348,000,000 in 2012 benefits), but would at least be at a more manageable level that puts Arkansas employers on a more level playing field in our region.

SB850 was not controversial in the Senate, but **SB875** was and will continue to be. Neither bill is not yet out of the House Public Health Committee and we will need support from at least 2 or 3 Democratic members on both bills and all the Republicans on the committee.

We hope that you and you group will support us and help by contacting your House Representative and let them know that you favor passage of both of these bills

Listed below are the members of the House Public Health, Welfare and Labor Committee.

PLEASE REACH OUT TO THEM NOW AND ASK THEM TO VOTE "YES" ON SB875 AND SB850 IN COMMITTEE!

If you get a commitment please let me know!

Chair	Representative John Burris
Vice Chair	Representative Reginald Murdock
	Representative James I. Word

Representative Butch Wilkins
Representative Mark Perry
Representative Stephanie Malone
Representative Henry "Hank" Wilkins, IV
Representative Greg Leding
Representative Fredrick J. Love
Representative Kelley Linck
Representative Justin T. Harris
Representative Jeff Wardlaw
Representative Kim Hammer
Representative David L. Branscum
Representative David Meeks
Representative Andy Mayberry
Representative Betty Overbey
Representative Chris Richey
Representative Richard Womack
Representative Deborah Ferguson

CONTACT INFORMATION

State Representatives: 501-682-6211

To view live stream video and audio from the Arkansas House of Representatives or to look up the contact information for your House member, visit www.arkansashouse.org

Other Bills of Interest ...

SB 542 by Sen. Missy Irvin passed the final hurdle yesterday when the Senate voted to concur in the House amendment. The bill will now go to the Governor. As originally drafted, SB 542 would require the Department of Workforce Services (DWS) to track false statements and misrepresentation by applicants for unemployment benefits and report to the Legislative Council. Amendment No. 1 would prohibit termination of unemployment benefits from false statements or misrepresentations made by the claimant outside of the current benefit year. The amendment would shorten the statute of limitations to allow for temporary disqualifications for reporting false statements from 5 years to 2 1/2 years. It also would remove the new tracking and reporting requirements, and would require DWS to provide reports of unemployment insurance claim fraud upon request by the Legislative

Council.

SB 38 by Sen. Jeremy Hutchinson is on the House Public Health, Welfare and Labor Committee agenda. As originally drafted, SB 38 would require applicants and recipients of unemployment benefits to be tested for illegal drug use. Amendment No. 4 would prevent the results of a drug screen as provided by this bill from being released or used as evidence for criminal prosecution.

SB 515 by Sen. Cecile Bledsoe remains on the Senate Public Health, Welfare and Labor Committee agenda. We have been told the bill may be recommended for Interim Study. Amendment No. 2 would place the burden of proof on the employer in a case in which an employee is terminated for misconduct and the employer has work available within the restrictions imposed by the employee's workers' compensation injury. It would also increase the number of weeks for which an employee shall receive disability compensation for each of the permanent injuries on the schedule in this section. As originally drafted, SB 515 would amend Workers' Compensation Law providing that an employee who retains a compensable injury is entitled to benefits during the healing period only if the employer does not have work available with the employee's medical restrictions. AGRMA is opposed to this bill in its current form.

HB1994 by Rep. Jim Nickels would authorize the Workers' Compensation Commission to determine an amount for the future medical needs of a joint petition claimant when deciding whether a final settlement award is in his or her best interests. The bill clarifies that an order may allocate claim proceeds of a joint petition. It is on the House Public Health, Welfare and Labor Committee agenda.

EMPLOYEE HANDGUNS ON COMPANY PROPERTY

HB 1269 by Rep. John Catlett remains on the deferred list in the House Judiciary Committee. Rep. Catlett told us he plans to send the bill to interim study. The bill would prohibit an employer from basing an employee's employment status on concealed handgun licensure and would require employers to permit employees with handgun licenses to possess a handgun locked inside a vehicle in the employer's parking lot. It includes exemptions for certain properties owned by chemical, oil or gas companies and for property owned by a person other than the employer that is subject to a mineral lease. It also precludes liability of an employer for damages resulting from an employee's possession of a handgun and states that the employer does not have a duty to patrol or secure the parking area.

EMINENT DOMAIN

SB 367 by Sen. Jim Hendren had been moved to the deferred list on the House Judiciary Committee agenda. As originally drafted, the bill would provide for compensation of private property owners whose property loses fair market value as a result of a government regulatory program. It would not apply to a property owner if the regulatory program does not directly apply to the property. House Amendment No. 1 requires a 25 percent decrease in the fair market value of a piece of property before the owner is entitled to compensation from the government (rather than 10 percent). The amendment also states that this subchapter does not apply to rules and regulations under the control of certain state agencies or to certain eminent domain proceedings.

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