



LEGISLATIVE UPDATE

TO: CEOs, Presidents & Legislative Contacts
FROM: Charles M. Miller, SVP / Director of Legislation & Regulation
DATE: February 4, 2011

The pace picked up a little at the State Capitol this week. We added several new bills to our bill tracking and are now working with certain lawmakers regarding legislation they have introduced. Two bills were filed that caused immediate concern for the entire business community, SB 164 and SB 173.

Senate Bill 164 by Senator Jeremy Hutchinson (D-Little Rock) will clearly increase litigation against businesses in Arkansas because the bill lowers the standard of proof on deceptive trade practices cases. With everything the banking industry is facing on the regulatory front, more litigation is the last thing any banker needs to worry about. I spoke with Senator Hutchinson and he understands our position, said that banks were not his target and was amenable to a carve-out for our industry. However, other interest groups remain very concerned and plan to continue fighting SB 164.

Senate Bill 173 was introduced by Senator Robert Thompson (D-Paragould) at the request of the Attorney General. As originally written the bill would broaden the AG's power and leave businesses all over Arkansas ripe for abuse by an overly aggressive and politically motivated attorney general. General McDaniel, a pro-business Democrat, quickly explained that his reason for SB 173 was only to clarify the existing intent of the office's subpoena power. As of today, the plan is for Sen. Thompson to abandon SB 173 and file a new bill which only closes potential loopholes related to the AG's current ability to issue subpoenas.

Unemployment Insurance: Discussions related to this issue continue as all of the stakeholders try to fully understand our system, the debt we owe and what the next step should be. Meanwhile, bills designed to limit the number of Arkansans receiving unemployment benefits have been filed. Senate Bill 157 would require drug testing of applicants for unemployment benefits and deny such benefits to those that tested positive or refused the test. The big question about drug testing is – how are the tests paid for? Another bill, SB 209, requires unemployment benefit recipients to have a high school diploma, a GED or to be in active pursuit of their GED.

House Bill 1185 is the legislation we support that is designed to make Improvement Districts more open and accountable to the public. On Wednesday the bill got a do pass recommendation for the House City, County & Local Affairs Committee. It passed the full House on Thursday and has been referred to the City, County & Local Affairs Committee in the Senate.

So far this session has gone quite well for you bankers – let's hope that continues. As always, please let me know about any concerns or questions.