



LEGISLATIVE UPDATE

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

It was another busy week at the Capitol and it looks like the Legislature is not going home anytime soon. Each of the tax bills I reported on last week still sit in committee waiting on their sponsor to make his or her move.

Last week I mentioned HB1445 by Rep. Nickels which makes it a criminal offense for failure to pay an employee. This bill is still on the House Public Health, Welfare & Labor Committee Agenda and may be presented anytime the sponsor requests consideration. In addition to 1445, Rep. Nickels has offered another anti-business bill - HB1494 that creates a new private cause of action against companies providing erroneous information obtained through a background check.

Yesterday, I testified against HB1703, which was introduced to help the counties collect delinquent personal property taxes. Unfortunately, the legislation seeks to codify a practice of the County Collectors forcing payment of past due personal property taxes before an ROE transfer. This can result in the bank having to pay the personal property tax of another person. The bill was withdrawn from consideration during the committee meeting, and I have a meeting scheduled with the Association of Arkansas Counties and DF&A to discuss possible amendments.

There are three Unemployment Insurance bills that have been introduced. Two bills sponsored by Senator Dismang and Representative Carter set minimum and maximum weekly benefits and reduce the benefit year. They are pending in their respective Health, Welfare & Labor Committees. The third unemployment bill (SB 305) authorizes the issuance of general obligation bonds to finance the re-capitalization and debt retirement of our Unemployment Trust Fund. SB 305 is permissive legislation and there is no requirement for the bonds to ever be issued. This bill is on the calendar in the Senate Insurance & Commerce Committee.

I said in one of my first reports that the Bank Department would have a bill dealing with interstate branching and Dodd Frank. That bill was introduced this week by Senator Hutchinson

and is Senate Bill 739. This legislation revises state law to conform with Dodd-Frank as it relates to out-of-state banks branching into Arkansas.

We have not had to ask our membership to directly lobby their legislator, which is fortunate. However, several of you have been a resource regarding legislation's actual effect on your bank and this is very helpful – thanks.

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