

DAILY LEGISLATIVE UPDATE



Business matters.

Daily Legislative Update

94th Arkansas General Assembly
Thursday, February 16, 2023 | Day 39

TODAY AT THE CAPITOL

A full schedule of committees met this morning. The Senate and House convened at 11:00 a.m. Visit www.arkleg.state.ar.us to view meeting schedules, floor calendar, agendas and video links to watch any of the meetings.

NEW TRACKED BILLS

We added [10 bills](#) to our tracking today. They address unemployment insurance, agricultural nuisance actions, three financial bills, utility company ATVs on highways, regulation of refrigerants, wholesale distribution of controlled substances and a shell bill that seeks to amend the Income Tax Act of 1929.

STATE CHAMBER/AIA PRIORITY BILLS

Elimination of Phantom Damages - [Please ask your legislators to SUPPORT HB 1418](#)

HB 1418 by Rep. Marcus Richmond with 17 co-sponsors and Sen. Missy Irvin with nine co-sponsors.

This State Chamber/AIA priority bill filed on Monday is a continuing effort we've worked on with others over multiple years to pass a form of litigation reform in Arkansas.

Click [HB 1418](#) to read the one-page bill that is scheduled to be heard as a Special Order of Business in the House Judiciary Committee on Tuesday, February 21.

The bill addresses a civil justice abuse that contributes to growing litigation costs known as “phantom damages.” It can also be considered a “transparency in damages” bill. The bill seeks to increase transparency and bring fairness to the calculation of damages in tort cases by defining economic damages as only those amounts actually paid by or on behalf of the plaintiff.

“Phantom Damages” exist any time lawsuit recoveries are calculated using the dollar amount a patient was billed for a medical service instead of the amount the patient, their insurer, Medicare, Medicaid or workers’ compensation actually paid for the treatment. For example, a hospital may bill \$20,000 for an emergency room visit, while the amount the hospital actually receives after adjustments may be \$8,000. The \$12,000 difference is not owed and is not paid in the real world.

Opposition contends that the bill will abolish the “collateral source rule.” It does not.

Arkansas' collateral source rule provides that a trial court must “exclude evidence of payments received by an injured party from sources 'collateral' to ... the wrongdoer, such as private insurance or government benefits....”

We believe injured patients should be compensated for medical care amounts that have actually been paid. When recoveries are calculated using billed charges rather than paid charges, “phantom damages” are created which neither the patient nor their insurer ever paid.

Please ask your legislators to SUPPORT HB 1418.

Unemployment Insurance

HB 1430 by Rep. Robin Lundstrum and Sen. Kim Hammer

This State Chamber/AIA priority bill was filed Tuesday. It makes multiple changes to Arkansas' unemployment insurance law that will benefit employers. The bill seeks to:

- Amend indexing of the wage base, which is the amount of each employee's wages that are subject to unemployment insurance (UI) tax. The wage base reduced from \$10,000 to \$7,000 for 2023. This bill's changes to the wage base indexing is to protect against large increases as long as the Unemployment Compensation Trust Fund has a minimum balance of \$600 million.
- Reduce the maximum number of benefit weeks from 16 to 12 effective January 1, 2024.
- Reduce the new employer UI tax rate from 2.9% to 1.9% effective January 1, 2024.
- Repeal the Stabilization Tax, which had a range of 0.2% to 0.8%, and replace it with an administrative assessment of 0.125%, which is less than the current 0.2% amount of the Stabilization Tax that is applied to administration of the UI program. This reduction is effective from July 1 2023 until June 30, 2024. Effective July 1, 2024 the administrative assessment reduces to 0.1%. Excess funds generated by the administrative assessment can be credited to a fund for modernization of the state's UI computer system, subject to a maximum of \$35 million and up to \$2.5 million that can be deposited to the Training Trust Fund for worker training. Any excess training fund dollars will go into the Unemployment Compensation Trust Fund.
- Reduces the maximum UI tax rate from 14% to 10%.

This bill has been assigned to the House Public Health, Welfare and Labor Committee.

BILLS WE SUPPORT

Petitions - Ballot Titles

HB 1320 by Rep. David Ray and Sen. John Payton

This bill requires sponsors of initiative petitions or referendum petitions to file with the Attorney General before being circulated for signatures; it allows the Attorney General to ratify or change the ballot title and popular name for each amendment/act.

- The Attorney General must approve the submitted ballot title and popular name and certify it or substitute and certify a more suitable and correct ballot title and popular name within 10 days of the petition being filed.

Initiative/Referendum Petitions - Counties Represented

HB 1419 by Rep. Kendon Underwood and Sen. Jim Dotson

This bill requires ballot initiatives for statutory and constitutional amendments to submit petitions from 50 counties. It requires each to contain signatures of three-fourths of the designated percentage of the electors for each county represented.

BILL TRACKING

720 Bills Filed | Senate: 11 new – 278 filed | House: 11 new – 442 filed
State Chamber Tracking: 274 - 10 added today

To view all tracked bills by category, click [State Chamber AIA Bill Tracking Categories](#)

2023 STATE CHAMBER AIA LEGISLATIVE AGENDA

LEGISLATIVE SESSION INFORMATION

To view schedules, calendars, bill information, and legislator information, click www.arkleg.state.ar.us.

LEGISLATIVE MESSAGE CENTER

House of Representatives: 501-682-6211
Senate: 501-682-2902

LIVE STREAMING FROM THE CAPITOL

The House and Senate have links to live streaming of their committee meetings and floor session online.

- House: <https://www.arkansashouse.org/>
- Senate: <http://www.arkansas.gov/senate/>

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