



ARKANSAS

LEGISLATIVE SUMMARY

of the 92nd General Assembly

Introduction



Another legislative session has passed in Arkansas. The 92nd General Assembly lasted 88 days and officially adjourned on April 24. Out of the 1,862 bills and various resolutions filed during the session, 1,092 acts became law.

On your behalf, Cornerstone Credit Union League's legislative team in Little Rock, the Arkansas Credit Union Association, reviewed and monitored all relevant bills and have crafted a 2019 Legislative Summary for your review. We hope you find this information valuable.

I led a very capable team whom I would like to thank, which included Grassroots Director Skeeter Brosius, Regulatory and Compliance Counsel Suzanne Yashewski, and Lobbyist Ron Harrod, all of whom helped track proposed legislation since the session started in January. Under the guidance of Chief Advocacy Officer Jim Phelps, we were fortunate to have a truly skilled group of professionals working on your behalf.

We value your membership and appreciate your feedback. If you have any questions, please don't hesitate to contact me at vsalkeld@arcua.coop or 501-683-8313 (direct) or 800-442-5762, ext. 8313 (toll free).

Best regards,

A handwritten signature in black ink that reads "Vicky Salkeld". The signature is written in a cursive, flowing style.

Vicky Salkeld
Executive Director
Arkansas Credit Union Association

Arkansas Legislative Summary of the 92nd General Assembly

The 92nd General Assembly officially adjourned on April 24. The session lasted 88 days, having begun Jan. 14, 2019. Out of the 1,862 bills and various resolutions filed in this session, 1,092 acts became law.

The Revenue Stabilization Act finalized a balanced budget of around \$5.7 billion in general revenue for Fiscal Year 2020. This figure is about \$124 million more than will be spent during this Arkansas' fiscal year and the lowest amount of increased spending in the last 10 years. The state general revenue fund is mainly generated by sales taxes, individual income taxes, and corporate income taxes.

Consequential bills that the Arkansas Credit Union Association tracked and/or worked on follow.

KEY BILLS

SB 479 – **Sample:** “To authorize and require the issuance of a title for a watercraft; and to create the Arkansas Motorboat Registration and Titling Act.” Senate notification on April 8, 2019, reflected that SB 479 is now **Act 733**.

For new boats manufactured on and after Jan. 1, 2020, customers would be required to obtain a title as well as a registration for their watercraft and pay the \$10 title fee when initially applying for title and registration in their name. Customers would be required to surrender the watercraft's manufacturer's certificate of origin for a new watercraft or the previous owner's title if a used watercraft. Lienholders could have their lien noted on a certificate of title and hold the title until the lien is satisfied.

SB 494 – **Sample:** “To establish an expedited motor vehicle title processing service; to create an expedited title processing service for motor vehicles and impose an additional fee for the service; and to amend the law concerning certain title fees.” Senate notification on March 20, 2019, reflected that SB 494 is now **Act 524**.

SB 494 creates a mechanism whereby an application for motor vehicle title service can be processed on an expedited basis and establishes a fee for such service. The bill establishes a fee of \$10 for providing this expedited service that is in addition to the current \$10 title fee charged by state law for all title applications. The proceeds from this \$10 fee are to be deposited to the Commercial Driver's License Fund for use by the Revenue Division to provide system enhancements.

SB 494 also eliminates an unnecessary reference to a specific title fee in the Arkansas Code to prevent confusion if that title fee is ever changed.

Title applicants may choose to pay the \$10 expedited service fee to have their title application reviewed within three business days.

SB 501 – **Maloch**: “To amend the law concerning the investment of guardianship funds.” Senate notification on April 1, 2019, reflected that SB 501 is now **Act 591**.

SB 501 is about the guardian not having to go to court to be declared the guardian. Sen. Bruce Maloch amended the bill to include “share certificates” under Section 1 (C)(1)(H)(i): Shares, share certificates, share accounts, or accounts of a:

(c)(1) Credit union in this state for eligible members that is insured by the National Credit Union Administration.

(2) Subdivision (c)(1)(H)(i)(c)(1) of this section does not expand the field of membership of a credit union.

(ii) However, an investment in shares, share certificates, share accounts, or accounts listed in subdivision (c)(1)(H)(i) of this section shall not exceed the amount insured.

SB 576 – **Hester, Douglas**: To reform the tax laws concerning the levy and collection of sales and use tax, the apportionment and allocation of income for tax purposes, corporate income tax rates, and net operating losses; and to declare an emergency. Senate notification on April 10, 2019, reflected that SB 576 is now **Act 822**.

SB 576 helped balance the state budget. It has many components, some of which include:

- Requiring remote sellers and marketplace facilitators to collect sales tax;
- Adopting single sales factor (SSF) apportionment; and
- Decreasing the corporate income tax rate from 6.5 percent to 5.9 percent.
- Regarding car wash taxes, this bill:
 - Amends the sales tax exemption for certain car washes;
 - Exempts certain products and services related to car washes from sales and use tax; and
 - Levies a fee on certain car wash operation in lieu of the sales and use tax.

SB 583 – **Cooper, Dotson**: “To amend the Arkansas municipal accounting law concerning certain debit card and credit card payments.” Senate notification on April 10, 2019, reflected that SB 583 is now **Act 773**.

Pertinent information in Section 1 (3) of SB 583 reads:

A municipality shall not assess a transaction fee for payments made through a credit card or debit card if the governing body of the municipality determines that the transaction fee is included in the amount charged for the service or product for which a credit card or debit card payment is made.

HB 1463 – Gazaway, Hester: “To amend the uniform commercial code to prevent fraudulent filings; and to allow the filing office to refuse to file fraudulent records.” House notification on April 4, 2019, reflected that HB 1463 is now [Act 707](#).

This bill is designed to prevent innocent people from having fraudulent liens filed against them. Pertinent information in Section 3 (7) reads:

Regulated financial institutions, other lenders in the business of making loans or extending credit, and persons that regularly extend credit to agricultural producers are exempt from the requirements of this subsection.

HB 1463 would require a filing official who has reason to believe a financial filing under the Uniform Commercial Code is fraudulent to notify both the director of Business and Commercial Services and the general counsel for the Office of the Secretary of State.

If the director and general counsel concur with the filing official’s findings, then written notice under signature of the director shall be sent to the secured party of record stating the facts and reasons for refusing to file the financing statement, the need for the secured party to submit, within 30 days, documentation as to why the financing statement should not be refused, and the legal penalties for filing fraudulent financing statements.

The bill also provides procedures for determining if the financing statement is void.

HB 1751 – Lundstrum, Pitsch: “To amend the Minimum Wage Act of the State of Arkansas.” House notification on April 10, 2019, reflected that HB 1751 is now [Act 853](#).

Some stipulations of the bill in Section 6 (f) note the following:

- (1) It is lawful for an employer to pay its employees by automatic deposit or by providing a debit card preloaded with the amount of wages.
- (2) If wages are paid by providing a preloaded debit card under subdivision (f)(1) of this section, at least one free withdrawal shall available for the funds for each deposit of wages loaded onto the debit card.

Pertinent information in Section 7 (Payment on discharge) reads:

- (a) An employer that discharges an employee is required to pay all wages due by the next regular payday.
- (b) An employer that fails to make the payment required under subsection (a) of this section within seven (7) days of the next regular payday shall owe the employee double the wages due.

HB 1943 – Cavanaugh, Rapert: “To amend the Personal Information Protection Act; and to revise the definition of ‘personal information’ in the Personal Information Protection Act.” House notification on April 15, 2019, reflected that HB 1943 is now **Act 1030**.

Pertinent information in Section 2 (b)(2) reads:

If a breach of the security of a system affects the personal information of more than one thousand (1,000) individuals, the person or business required to make a disclosure of the security breach under subdivision (b)(1) of this section shall, at the same time the security breach is disclosed to an affected individual or within forty-five (45) days after the person or business determines that there is a reasonable likelihood of harm to customers, whichever occurs first, disclose the security breach to the Attorney General.

Pertinent information in Section 3 (g) reads:

(1) A person or business shall retain a copy of the written determination of a breach of the security of a system and supporting documentation for five (5) years from the date of determination of the breach of the security of the system.

(2) If the Attorney General submits a written request for the written determination of the breach of the security of the system, the person or business shall send a copy of the written determination of the breach of the security of the system and supporting documentation to the Attorney General no later than thirty (30) days after the date of receipt of the request.

(3) The determination and documentation retained under this subsection are confidential and not subject to public disclosure.

RECOMMENDED FOR STUDY IN INTERIM COMMITTEE

SB 257 – Hammer: To include financial institutions insured by the national credit union administration as institutions allowed to serve as depositories of public funds.

This public funds bill was heard twice in the Senate Insurance and Commerce Committee during the session and was then recommended on April 24 for study in the Senate Interim Committee on Insurance and Commerce.

The timeline for interim study will span from September 2019 to September 2020.