

## **EXECUTIVE DIRECTOR UPDATE**

### **WEEK 10 OF THE 90TH GENERAL ASSEMBLY**

**March 20, 2015**

#### **Overview of Week 10 of the 90<sup>th</sup> General Assembly ATRS Package Bills Continue to Advance**

After 10 weeks of the legislative session, the nine ATRS bills (the ATRS appropriation bill and eight ATRS Board package bills) are well along in the legislative process. Seven of the nine bills are now Acts and completely through the legislative process. All seven new Acts also had an emergency clause and the emergency clause on all seven also passed. One bill has been delivered to the Governor for consideration.

The remaining package bill is the tax credit bill that has passed one chamber of the General Assembly but was held in the Senate Revenue and Tax Committee as the content of the bill was addressed in a broader bill on tax credits. HB1132 is a casualty of the negotiation process on broader recycling tax credit issues that also affect ATRS. The result of those negotiations is SB844.

SB844 was created through many hours of discussions and negotiations. ATRS thinks SB844 will benefit ATRS and the State of Arkansas by allowing the state to have a better defined tax credit impact each fiscal year while providing a steady income stream to ATRS over a period of years not only on Phase I of Big River Steel, but on future expansions of the facility.

#### **ACTIONS THIS WEEK ON THE ATRS LEGISLATIVE PACKAGE**

##### **One Bill has been delivered to the Governor for Consideration.**

**SB171:** Sponsored by **Senator Bill Sample**. This bill was drafted in response to discussion in the Public Retirement Committee. It was suggested that the law be amended for clarification and written in an easier to read format. The bill has passed both chambers of the General Assembly and has been delivered to the Governor for consideration.

### **One ATRS Package Bill Remains in the Senate Committee on Revenue and Tax**

**HB1132:** As stated earlier, the last bill, HB1132 on recycling tax credit, became a casualty of a review of recycling tax credits. HB1132 has passed the House but remains and will remain held in the Senate Revenue and Tax Committee as negotiations on the way recycling tax credits are blended into the state revenue stream resulted in a negotiated resolution provided in SB844. HB1132 has been lost in the process of working out larger recycling tax credit issues that ultimately have much greater importance to ATRS. ATRS has continued to participate in the process and hopes that **SB844** passes and becomes a good result for all.

### **One Bill Outside of the ATRS Package Bills Will Benefit ATRS**

SB844 has been drafted after many hours of discussion and consultation. ATRS thinks this bill will benefit ATRS and the State of Arkansas by allowing a steady income stream for ATRS over a period of years. This bill allows Big River Steel and ATRS to have a reliable income stream from the recycling tax credits associated with Big River Steel while preventing the state of Arkansas from having an unanticipated revenue loss by too many tax credits being taken in one fiscal year. The result of the extended negotiations is SB884 that brings a fair resolution for ATRS, Big River Steel, and the State of Arkansas.

### **Updates will continue**

ATRS will continue to provide weekly updates on the ATRS package bills and any other bills that have an impact on ATRS. ATRS tries to work closely with members of the General Assembly on legislation to ensure issues of interest to the General Assembly are properly addressed. After the session wraps up, ATRS will provide a final broader update that explains the impact of all the legislation that is ultimately made into Acts by the General Assembly.