

## **EXECUTIVE DIRECTOR UPDATE**

### **WEEK 11 OF THE 90TH GENERAL ASSEMBLY**

**March 26, 2015**

#### **Overview of Week 16 of the 90<sup>th</sup> General Assembly ATRS Package Bills Continue to Advance**

After 11 weeks of the legislative session, the nine (now ten) ATRS bills (the ATRS appropriation bill and eight ATRS Board package bills plus the new recycling tax credit bill) are well along in the legislative process. Eight of the ten bills are now Acts and completely through the legislative process. The first recycling tax credit bill (HB1132) is no longer viable and dead for the session. It has been essentially replaced by a tenth bill (SB844) that involves recycling tax credits on another ATRS investment, Big River Steel. All eight new Acts also had an emergency clause and the emergency clause on all eight also passed.

The remaining new package bill is the more recent tax credit bill, SB844, that has passed the Senate and received a "do pass" motion from the House Revenue and Tax Committee this morning and had no opposition. **Representative Monte Hodges** did a great job of presenting SB844 in committee this morning.

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 controlled 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 steel facility.

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

##### **One Bill signed into an ACT**

**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 was signed into law on March 24, 2015 and became Act 558. Thanks are due for **Senator Bill Sample** for sponsoring the bill, **Representative David Meeks** for presenting the bill on the House floor, and **Representative Douglas House** for seeing and pointing out the weakness in the old wording of the ATRS military service provisions.

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

**HB1132:** As stated last week, HB1132 on recycling tax credits, 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. **SB844** should be on the House Calendar either late this week or early next week for final legislative action.

### **One New Bill in 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. **SB884** received a "do pass" from the House this week.

### **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.