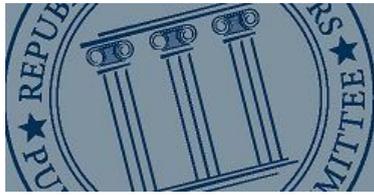


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REPUBLICAN GOVERNORS

PUBLIC POLICY COMMITTEE

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Taxes and Budget

(Arkansas) Governor suggests proposed online sales tax could help lower income tax rates ([KATV](#)) – As legislators in Washington continue to toss around the concept of a potential internet sales tax bill, closer to home, Governor Asa Hutchinson said he would like to use the potential revenue from an online sales tax to help decrease the state's income tax rate. Right now, Arkansans that make purchases with out-of-state online retailers are only charged for the goods and shipping - no sales tax. A 1992 US Supreme Court decision, *Quill v. North Dakota*, has set the precedent for electronic commerce, preventing states from collecting sales tax from companies doing online business in their state but don't have a physical presence there. A University of Tennessee study from 2009 suggests from 2007 to 2012, the state of Arkansas lost out on nearly a half-billion dollars in potential online sales tax revenue and continues to lose out on more than \$100 million every year.

Council backs first \$200 million of McCrory's bond package ([WXII](#)) - North Carolina is moving forward with a \$2 billion borrowing initiative aimed at education and state infrastructure that voters approved in March. The Council of State on Tuesday unanimously approved the first \$200 million of bonds to be issued and sold. Gov. Pat McCrory says 87 percent of the initial \$200 million is headed toward projects at universities and community colleges, including improvements to UNC science, nursing and business buildings across the state. The National Guard and sewer infrastructure projects will also receive funding.

Energy and Environment

Gov. Sam Brownback declares all Kansas counties drought free ([The High Plains Journal](#)) - For the first time since April 2011, all Kansas counties are declared to be drought free. Following long awaited rains, counties saw improvement in conditions which led Gov. Sam Brownback to update the Drought Declaration for Kansas counties with Executive Order 16-02. "We are thankful the recent rains helped remove all counties from a drought designation," said Gov. Brownback. "Agriculture plays a key role in the Kansas economy, and this is particularly good news for our farmers and ranchers. Water is a precious resource and the fact that Kansas is officially drought free for the first time in more than five years, is excellent news." The Kansas Water Vision implementation will provide a more reliable source of supply for future generations. Kansas citizens are encouraged to find ways they can implement conservation measures and daily habits to lessen the impacts of the next drought.

Senate sends chemical overhaul to Obama ([The Hill](#)) – The Senate on Tuesday approved a bipartisan overhaul of the country's standards for chemical safety, sending the bill to President Obama for his signature. The passage of the Frank R. Lautenberg Chemical Safety for the 21st Century Act came by voice vote, two weeks after the House passed the bill and a decade after lawmakers first started working on the measure. The legislation gives the Environmental Protection Agency (EPA) sweeping new power over tens of thousands of chemicals, with new ability to order testing and regulate the substances. It also significantly clamps down on states' authorities in an effort to stop a nationwide patchwork of chemical laws that industry says is difficult to deal with.

Transportation and Infrastructure

(Nebraska) Governor approves new roads standards aimed at efficiency ([The Columbus Telegram](#)) – Gov. Pete Ricketts said Tuesday he has approved new local roads and bridge standards that will provide more construction and repair flexibility, resulting in efficiency and cost-savings while protecting safety requirements. Ricketts said the standards will "give counties and cities more flexibility so they can design solutions (that) fit the problem, do the work and stretch our dollars." "We'll get more bang for the buck," the governor said during a Capitol news conference. Infrastructure is a key element in Nebraska's economy, Ricketts said, and "one of the focuses of my administration." Nebraska Department of Roads Director Kyle Schneeweis described the new standards as "smart and responsible" as well as practical.

Economic Development

DOT Foods announces facility in Arizona ([Today's News-Herald](#)) – Dot Foods, a major food redistributor announced it will be opening a location in Mohave County, hiring at least 125 Arizona residents in three years. Dot Foods plans to break ground on a Mohave County facility late this year, with a goal of opening in late 2017. The Illinois-based company plans to invest more than \$45 million in infrastructure and various equipment and is planning to hire 177 people in its southwest region. The Mohave County Board of Supervisors voted 4-1 last month to offer \$500,000 in economic incentives to the company, matching a \$500,000 state grant. Without those funds, Moss said the company would have likely chosen Henderson for its new facility. The grant money will be paid out in steps during the next three years as Dot makes progress with the facility. As stipulations to the economic incentive, the county is asking that Dot Foods hires at least 125 Arizona citizens over the course of three years, pay an average annual wage of \$43,141, contribute at least 65 percent of employee health insurance benefits and invest in infrastructure and equipment.

Public Safety

(Tennessee) Law to lengthen time between shots at parole ([WBIR](#)) – Victims of violent crime and their families face some relief, while some convicted criminals will have to wait longer for a shot at parole. Gov. Bill Haslam is set to sign a bill on Thursday that would increase the maximum time between parole hearings for violent criminals. Currently, if Tennessee Parole Board members deny an inmate parole, the longest they can wait before the next hearing is six years. This bill extends that amount of time to a full decade.

Education

Governor Brownback calls special session on school funding ([KWCH](#)) - Governor Sam Brownback has called a special session in an effort for lawmakers to fix the equitability portion of the school funding formula. The announcement was made Tuesday, nearly a week after the official end of the legislative session. In a statement, Brownback said, "After discussion with Legislative Leadership, I have decided to call a special session to keep Kansas schools open, despite the Court's threat to close them. It is distressing that the Kansas Supreme Court has put the schools and legislature of Kansas in this position over less than 1 percent of school funding."

Lots Of Absences, Disparities With School Discipline ([AP](#)) – It's a challenge to teach children who aren't in class - and new government numbers show about 6.5 million students were absent for at least three weeks of the school year. The figures are the first-ever look at chronic absenteeism from the Education Department. Overall, 13 percent of students nationwide were chronically absent in the 2013-14 school year. More than 3 million high school students were chronically absent - nearly 1 in 5 high school students. The department defines chronically absent as missing 15 or more days during the school year, a pattern that increases a student's chances of falling behind and dropping out of school.

Healthcare

(Maine, Massachusetts) New England Governors Tackle Region's Drug Problem ([WSJ](#)) - Deaths linked to opioid drugs in Massachusetts nearly tripled in the past five years, according to state data, while in Maine, opioids drove a 31% year-over-year climb in drug-related deaths in 2015. As those trends underscore New England's acute problem with heroin and prescription drugs, the region's six governors, including four Democrats and two Republicans, gathered at Harvard Medical School in Boston Tuesday to address how they are fighting the problem. "This issue has tremendous negative momentum," Mr. Baker said. Addressing an auditorium filled with doctors, the governors discussed state efforts to limit the prescribing of prescription pain drugs among other measures, as well as the growing problem posed by plentiful and powerful synthetic opioids such as fentanyl, which dealers frequently mix with heroin.

Key Senate panel breaks ground with bipartisan spending bill ([The Hill](#)) - A key Senate panel on Tuesday advanced its first bipartisan health spending bill since 2009, averting partisan disputes that have typically doomed its appropriations process from the start. The \$162 billion bill was approved Tuesday by the Senate Appropriation Committee's labor, health and human services subcommittee and now heads to the full committee on Thursday. The health and labor spending bill is among the toughest for congressional appropriators each year. But for 2017, the measure avoids contentious partisan issues that had the potential to become landmines for the legislation this year. The bill includes a substantial funding boost to federal research, precision medicine and anti-opioid programs. It grants or exceeds many of the funding requests from President Obama, while steering clear of a fight on ObamaCare.