

## Arizona Legislative Update

January 14, 2022

### Session Update

#### **I. Session Update**

Less than a week into the 2022 session, Arizona legislators have already introduced more than 900 bills. Policy committees will begin considering bills next week after the Martin Luther King, Jr. Day holiday on Monday. Scheduling at the Capitol has been challenging as lawmakers from both parties have COVID-19 and are quarantining. House and Senate Democrats continue to [call for](#) the ability to participate in legislative proceedings remotely, but Republican leaders [say](#) they will require in-person attendance but will make certain accommodations. Lawmakers who are uncomfortable joining floor sessions may vote from their offices at the Capitol but will not be able to speak.

There were moments of bipartisan agreement this week as the House and Senate celebrated the legislature's annual [Indian Nations and Tribes Day](#) and honored [Frank Pratt](#), a beloved member of the legislature who passed away last year.

Today, Governor Ducey unveiled a \$14.25 billion budget plan for the state, with \$1.38 billion in new initiatives. As outlined in his State of the State address on Monday, the proposal includes tax cuts, significant investments in water supplies, policies intended to promote school choice, and law enforcement pay increases. The budget assumes that the income tax enacted last year will go into effect and that courts will overturn the voter-approved Proposition 208 income tax increase. (A challenge to the income tax cut seeks to take the issue before voters next year, but Republican lawmakers hope to [re-enact the tax cut](#) this session. Last year, an Arizona Supreme Court ruling [enhanced uncertainty](#) about the future of the Proposition 208 tax increase, but the issue is still working its way through the courts.)

The Governor's budget allocates funding for the following.

- **Education**

The budget outlines \$227 million for new education initiatives, including:

- \$276 million in one-time building renewal grants for school facilities and \$89.4 million for new school construction.
- \$60.8 million in new funding for results-based formulas, for a total of \$129.4 million a year.
- \$58 million for low-rated schools, intended to provide \$150 per student to implement programs designed to improve performance.

- \$20 million to continue the School Transportation Modernization Grants first enacted last year.
- \$5 million to increase civics education through a bonus program that sends financial rewards to schools and teachers who have students attaining at least 95% on the Civics Exam.

The budget rebases Arizona's per-student funding calculations, citing disparity between reported and funded enrollment.

The Governor allocates \$100 million in federal COVID-19 aid funding to address learning loss caused by the pandemic and pledges to contribute more resources as needed. This funding will include enhanced K-12 literacy efforts and a [summer camp](#) designed to help Arizona students regain learning about math, reading, and civics they [lost during the pandemic](#).

- **Emergency Preparation**

The budget sets aside \$10.4 million for maintenance at readiness centers and uses \$1.6 million to obtain federal matching dollars for readiness centers.

- **Higher Education**

The budget directs \$46 million to the New Economy Initiatives at Arizona's public universities. It allocates \$10.8 million for urban community colleges and \$7 million for rural community colleges and uses \$30 million in federal funding for the community colleges' Workforce Accelerators. It sets aside \$5 million for university Freedom Schools and provides \$12.5 million for the Promise Program, which provides tuition assistance to low-income students. It also provides \$10 million to waive university tuition for veterans' spouses.

- **Health and Human Services**

The budget prioritizes healthcare workforce education by allocating \$25.7 million for a public-private partnership with Creighton University – a program that allows participants to complete a degree in 12 months. (Creighton University would commit \$15.7 million toward this effort, as well.)

The budget provides \$11.5 million for the Arizona State Hospital to address security, staffing, and operational challenges, and \$8.2 million to address higher costs of Adult Protective Service investigators.

- **Kinship Care**

The budget provides \$19.8 million to expand the monthly payment for families who care for a child that is a member of their family, increasing the payment from \$75 to \$300. It also increases the monthly allowance for young people in [kinship care](#) from \$63.45 to \$126.90. The Governor also called for a streamlined path to enable kinship caregivers to become fully licensed, further increasing their monthly allowance.

- **Law Enforcement**

The Governor's budget focuses on border security. It directs \$50 million to the Border Security Fund and \$11.6 million to expand the state's Border Strike Force. It provides \$30.8 million for Department of Public Safety (DPS) raises and \$18.7 million for equipment and other DPS priorities.

The budget provides \$92.9 million for infrastructure needs in Arizona's prisons and \$2.4 million for the continued closure of the Florence prison. It directs \$5 million toward employment opportunities for inmates after they are released from prison.

It also provides \$611.3 million to pay off the unfunded pension liability for the state's Public Safety Personnel Retirement System (PSPRS).

- **Parks**

The budget provides \$58.7 million from state funding for the State Parks System and \$118 million from federal funding. The resources will focus on structural improvements, wastewater treatment facilities, broadband connectivity, and other priorities intended to increase the use of Arizona's state parks.

- **Savings**

The budget includes a \$425 million deposit into the state's Budget Stabilization Fund – an amount that would bring the balance of the savings account to \$1.4 billion.

- **Taxes**

The Governor's budget includes \$74 million for a new 5% State Earned Income Tax Credit for qualifying low-income households. It also sets aside \$58 million for unspecified business tax cuts.

- **Technology**

The budget allocates \$38.8 million for cybersecurity initiatives, including \$10 million for a Statewide Cyber Readiness Grant Program to provide cybersecurity resources for school districts and help counties protect election security.

The budget also allocates another \$15.7 million to the state's Business One-Stop Portal intended to streamline government startups and growth.

- **Transportation**

The Governor dedicates \$400 million to widen I-10 between Phoenix and Tucson and provides \$50 million to start a new State Match Advantage for Rural Transportation (SMART) Fund to help local governments obtain more federal funding for transportation goals.

- **Wildfire Prevention**

The budget allocates \$36.2 million for the next phase of Arizona's Healthy Forest Initiative and includes \$16.8 million for the Fire Suppression Revolving Fund.

- **Water**

As the Governor referenced in his State of the State, his budget sets aside \$1.16 billion over the next three years to pursue more water sources:

- \$160 million to start water augmentation efforts in Arizona.
- \$52 million for rural water projects designed to increase water supply.
- \$34.2 million for water banking payments.
- \$31 million to increase groundwater capacity.

- \$30 million for water conservation.

- **Workforce**

The budget identifies specific positions within government that consistently have high turnover rates, including public safety offices and healthcare workers, and allocates \$247.6 million toward salary increases in those areas. It outlines plans to further reduce state-owned office buildings by increasing teleworking and shared workspaces for some state employees.

[Click here](#) for a summary of the Governor's budget and [click here](#) for more details.

**Upcoming Action.** Legislators return to work on Tuesday and will begin their week with an [informational hearing](#) about Governor Ducey's budget proposal. Policy committees will meet throughout the week to [consider bills](#), even while lawmakers introduce even more proposals. Hot topic issues will include how Arizona teachers should [teach about race](#), what [responsibility employers](#) should carry if mandated vaccines cause complications, and whether the legislature should avoid school budget cuts by lifting a cap on [how much schools can spend](#).

**Election Updates.** The state's [online signature system](#) is causing headaches for some candidates. The conflict surrounding the Arizona Senate's recount of Maricopa County's 2020 ballot hasn't ended: The Cyber Ninjas [went out of business \(kind of\)](#), are [facing big court fines](#) for not turning over public records, and continue [fighting their own attorney](#) in court. The Maricopa County Board of Supervisors [explained why](#) they stand behind the election, and the Arizona Attorney General's [still working](#) on his report about it.

**Court Updates.** Arizona's Republican officials celebrated and Democrats criticized the [U.S. Supreme Court ruling](#) on vaccine mandates for private companies. The Arizona Supreme Court [explained its ruling](#) on the constitutional limits to lawmakers' inclusion of policy changes in budget bills.

**News Updates.** [The debate continues](#) about the proper role of state government in managing the COVID-19 pandemic. Arizonans spent more than [\\$1.2 billion](#) on marijuana last year. Arizonans are spending a lot on [sports betting](#). The U.S. Treasury Department [still doesn't think](#) Governor Ducey can use federal funds for programs that pay families impacted by [school closures](#). The legislature has an [improved closed captioning system](#) for those who follow Capitol discussions from home. Democrats and Republicans have [big goals](#) for the 2022 session.

## **II. Legislative Session Timeline**

### **JANUARY**

- 18** 5:00 PM: Last day for Senate members to submit bill requests to Legislative Council.
- 31** 5:00 PM: Last day for Senate bills to be introduced without special permission.

### **FEBRUARY**

- 4** 5:00 PM: Last day for House members to submit bill requests to Legislative Council.
- 7** 5:00 PM: Last day for House bills to be introduced without special permission.
- 18** Last day for House consideration of House bills and Senate consideration of Senate bills.

### **MARCH**

- 25** Last day for House consideration of Senate bills and Senate consideration of House bills.

### **APRIL**

- 15** Last day for conference committees.
- 19** 100th day of session.
- 23** Saturday of the week of the 100th day of session. This is the date required by rule for sine die adjournment unless leaders extend the deadline. Leadership can extend it no more than 7 days; thereafter any extension requires a majority vote in each house.
- 30** Session cannot extend beyond this date without majority vote in both houses

## **III. Hearings for Bills of Relevance to MWCUA**

### **Wednesday**

**HB 2043 (employer liability; COVID-19 vaccine requirement).** House Judiciary (Wednesday January 19<sup>th</sup> at 9:00 am, House RM 4).

**Thursday**

**SB 1092 (product liability; civil action; limitation).** Senate Judiciary (Thursday January 20<sup>th</sup> at 9:00 am, Senate RM 1).

**IV. Bills of Potential Relevance to MWCUA**

**HB 2104 (community property award; convicted spouse).**

Sponsor: Rep. Griffin

**HB 2107 (emergency powers; business closure; repeal).**

Sponsor: Rep. Biasiucci

**HB 2216 (auto title loans; title; interest).**

Sponsor: Rep. Butler

**HB 2297 (judgments; liens; homestead exemption).**

Sponsor: Rep. Dalessandro

**HB 2356 (employers; businesses; COVID-19 vaccine record).**

Sponsor: Rep. Biasiucci

**HB 2389 (rulemaking review; time frame).**

Sponsor: Rep. Dunn

**HB 2452 (antidiscrimination; employment; vaccination status).**

Sponsor: Rep. Carter

HB 2475 (employers; COVID-19 vaccine mandate; prohibition).

Sponsor: Rep. Carroll

HB 2479 (motor vehicles; registrations; titles; dealers).

Sponsor: Rep. Carroll

HB 2480 (vehicle serial numbers; removal; restoration).

Sponsor: Rep. Carroll

SB 1156 (blockchain technology; tax; fee; prohibition).

Sponsor: Sen. Rogers

SB 1182 (tech correction; savings and loan).

Sponsor: Sen. Gowan

SB 1204 (mortgage brokers; bankers; qualifications).

Sponsor: Sen. Pace

SB 1207 (qualified spendthrift trusts).

Sponsor: Sen. Pace

SCR 1013 (medium of exchange; currency; use).

Sponsor: Sen. Rogers

SCR 1014 (property tax exemption; virtual currency).



**Sponsor: Sen. Rogers**

**V. Recent Action**

<a href="#">H2043</a> :	EMPLOYER LIABILITY; COVID-19 VACCINE REQUIREMENT	1/1 2	referred House	to <a href="#">jud.</a>
<a href="#">H2047</a> :	STUDENT LOAN SERVICES; LICENSURE	1/1 2	referred House	to <a href="#">com</a> , <a href="#">way</a> <a href="#">s-means</a> , <a href="#">educ.</a>
<a href="#">H2048</a> :	STUDENT LOAN SERVICERS; LICENSURE	1/1 2	referred House	to <a href="#">mil-pub</a> <a href="#">safety</a> , <a href="#">jud</a> , <a href="#">nat</a> <a href="#">res-energy-</a> <a href="#">water.</a>
<a href="#">S1048</a> :	EMERGENCY POWERS; BUSINESS CLOSURE; REPEAL	1/1 0	referred Senate	to <a href="#">gov.</a>
<a href="#">S1052</a> :	MEDICAL PROCEDURES; PROHIBITIONS	1/1 0	referred Senate	to <a href="#">hel-hu</a> <a href="#">ser.</a>
<a href="#">S1053</a> :	RELIGIOUS EXEMPTION; VACCINE; VIOLATION; CLASSIFICATION	1/1 0	referred Senate	to <a href="#">com.</a>
<a href="#">S1072</a> :	TECH CORRECTION; BANK DEPOSITS	1/1 0	referred Senate	to <a href="#">rules</a> onl y.
<a href="#">S1092</a> :	PRODUCT LIABILITY; CIVIL ACTION; LIMITATION	1/1 0	referred Senate	to <a href="#">jud.</a>
<a href="#">S1156</a> :	BLOCKCHAIN TECHNOLOGY; TAX; FEE; PROHIBITION	1/1 2	referred Senate	to <a href="#">fin.</a>
<a href="#">S1182</a> :	TECH CORRECTION; SAVINGS AND LOAN	1/1 3	referred Senate	to <a href="#">rules</a> onl y.

<a href="#">SCM100</a> DONALD J. TRUMP HIGHWAY <a href="#">1</a> :	1/1 1	referred Senate <a href="#">trans- tech.</a>	to
<a href="#">SCR1013</a> MEDIUM OF EXCHANGE; CURRENCY; USE :	1/1 1	referred Senate <a href="#">fin.</a>	to
<a href="#">SCR1014</a> PROPERTY TAX EXEMPTION; VIRTUAL CURRENCY :	1/1 1	referred Senate <a href="#">fin.</a>	to
<a href="#">SM1001</a> : FINANCIAL INSTITUTIONS; BURDENSOME REPORTING REQUIREMENTS	1/1 0	referred Senate <a href="#">fin.</a>	to