

## Arizona Legislative Update

January 21, 2022

### I. Session Update

**Session Overview.** The legislature focused on policy discussions this week, navigating around lawmakers' medical absences by rearranging committee assignments when necessary. Several high-profile bills advanced through committees, including legislation outlining [how teachers can talk about race](#), [how electric utilities](#) are governed, whether [concealed weapons](#) should be allowed on campus, and [the role biological sex should play](#) in school sports.

The House Judiciary Committee canceled a vote on [a contentious proposal](#) that would create employer liability under certain conditions if the employer required its employees to receive a COVID-19 vaccine. However, the bill is rescheduled for a hearing next week. It is one of many proposals related to vaccine mandates that lawmakers have introduced so far this year.

There were moments of bipartisanship, and some bills passed with unanimous support. Legislators advanced proposals to prioritize funding for homeowners whose property was [damaged because of wildfire](#), allow [dentists to administer Botox](#), expand AHCCCS coverage for [chiropractic care](#), and provide [food assistance benefits for ex-inmates](#). The Senate Finance Committee approved the creation of a [State Finance Review Task Force](#) to study how Arizona government obtains and spends money.

**Next Week.** Legislators have introduced almost 1,000 proposals, and several hundred to 1000-plus more are expected. The clock is ticking: There are just four weeks left for bills to make it through their assigned committee hearings and many big ideas to consider – including a [cap on school spending](#), [tax cuts](#), and changes to [election laws](#) and [water policies](#). There's [a lot to watch](#) this year at the legislature.

**Budget Update.** A panel of economists agreed this week: Arizona has a lot of money to spend. The legislature's non-partisan budget office estimates that lawmakers will have a surplus of \$3.1 billion in the next fiscal year, which begins July 1. The state's main bank account – the General Fund – grew by 18% over the last 18 months.

The Finance Advisory Committee, which advises the legislature about economic forecasts, said there are a variety of reasons for the continued growth in state revenues:

- The federal government's COVID-19 funding bills directed \$78 billion to Arizona and drove personal income growth by 8.6%.
- Some Arizonans are slowly spending the savings they put aside since the pandemic began.
- Throughout the pandemic, Arizonans have spent money on things rather than experiences. Buying furniture online, for example, is taxed differently than going to see a movie. As people stayed home and bought products, the state's sales tax numbers climbed.
- Corporate growth and stock market gains across the country boosted Arizona's economy, as did rising housing prices.

The economists warn that tax revenues will not continue to grow at this rate and there are a lot of uncertainties, since the pandemic has had an unusual effect on many aspects of the economy. The legislative budget staff believes only \$1 billion of the \$3.1 billion surplus will be available for ongoing priorities. ([Here's how](#) legislative economists forecast state revenues.)

The outcomes of two major court cases will dramatically affect these forecasts, as well, since they will decide whether \$939 million will go into the education fund created by Proposition 208 and whether the legislature's big income tax cuts will go into effect. These issues will impact state revenues so dramatically that Governor Ducey's budget director recently said budget negotiations can't really begin until the courts act.

The legislative economic advisors hope the legislature takes one message away from their observations: The budget situation is strong, but you don't need to spend all the money right now.

**Budget Update Part Two – State Agency Budget Requests.** The House and Senate Appropriations Committees and Subcommittees have begun a multi-week process to understanding state agency budget requests. The briefings are important because they serve as a foundation for future budget negotiations. [Click here](#) to see the committee presentations.

**Election Updates.** Members of the [Arizona Independent Redistricting Committee](#) are not getting along and have not finished their work. The Attorney General and Secretary of State disagree about requirements for the [online signature-gathering system](#). Two high-profile Arizona senators [won't run against each other](#). Kimberly Yee dropped out of the Governor's race and [wants to be](#) Arizona Treasurer again. More Arizonans are [registering as independents](#).

**Court Updates.** A Maricopa County Superior Court judge said Governor Ducey had authority to [cut unemployment benefits](#) last year. An Arizona court wants to [have a talk with](#) Doug Logan, the former director of Cyber Ninjas, about his company's role in the Arizona Senate's ballot recount.

**Other News Updates.** Arizona is [still fighting](#) the federal government's ban on using COVID-19 aid funds for tax cuts. The U.S. Department of Agriculture announced [a new plan](#) for wildfire prevention. Federal aid funds gave some Arizona law enforcement workers [a raise](#). The legislature has enacted a lot of [license plate options](#). Arizona's legislature [isn't the only one](#) dealing with debates about COVID-19 protocols.

## **II. Legislative Session Timeline**

### **JANUARY**

**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**

#### **Monday**

**SB 1092 (product liability; civil action; limitation).** Senate Rules (Monday January 24<sup>th</sup> at 1:00 pm, Caucus RM 1).

#### **Wednesday**

**HB 2043 (employer liability; COVID-19 vaccine requirement).** House Judiciary (Wednesday January 26<sup>th</sup> at 9:00 am, House RM 4).

**HB 2104 (community property award; convicted spouse).** House Judiciary (Wednesday January 26<sup>th</sup> at 9:00 am, House RM 4).

**SB 1236 (consumer loan finance charges).** Senate Finance (Wednesday January 26<sup>th</sup> at 9:30 am, Senate RM 109).

**SM 1001 (financial institutions; burdensome reporting requirements).** Senate Finance (Wednesday January 26<sup>th</sup> at 9:30 am, Senate RM 109).

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

**SB 1222 (exempt property; tax credit; proceeds).**

Sponsor: Sen. Bowie

**SB 1236 (consumer loan finance charges).**

Sponsor: Sen. Livingston

**SB 1253 (vehicle accidents; financial responsibility).**

Sponsor: Sen. Livingston

**SB 1262 (government lending programs; auditor general).**

Sponsor: Sen. Livingston

**V.      Recent Action**

<a href="#">H2043:</a>	EMPLOYER LIABILITY; COVID-19 VACCINE REQUIREMENT	1/1 2	referred to House <a href="#">jud.</a>
<a href="#">H2047:</a>	STUDENT LOAN SERVICES; LICENSURE	1/1 2	referred to House <a href="#">com</a> , <a href="#">ways</a> <a href="#">-means</a> , <a href="#">educ.</a>
<a href="#">H2048:</a>	STUDENT LOAN SERVICERS; LICENSURE	1/1 2	referred to House <a href="#">mil-pub</a> <a href="#">safety</a> , <a href="#">jud</a> , <a href="#">nat</a> <a href="#">res-energy-water</a> .
<a href="#">H2104:</a>	COMMUNITY PROPERTY AWARD; CONVICTED SPOUSE	1/1 8	referred to House <a href="#">jud</a> .
<a href="#">H2107:</a>	EMERGENCY POWERS; BUSINESS CLOSURE; REPEAL.	1/1 9	referred to House <a href="#">mil-pub</a> <a href="#">safety</a> .
<a href="#">H2216:</a>	AUTO TITLE LOANS; TITLE; INTEREST	1/1 9	referred to House <a href="#">com</a> , <a href="#">gov-</a> <a href="#">elect</a> .
<a href="#">H2356:</a>	EMPLOYERS; BUSINESSES; COVID-19 VACCINE RECORD	1/2 0	referred to House <a href="#">com</a> .
<a href="#">S1048:</a>	EMERGENCY POWERS; BUSINESS CLOSURE; REPEAL	1/1 0	referred to Senate <a href="#">gov</a> .
<a href="#">S1052:</a>	MEDICAL PROCEDURES; PROHIBITIONS	1/1 0	referred to Senate <a href="#">hel-hu</a> <a href="#">ser</a> .
<a href="#">S1053:</a>	RELIGIOUS EXEMPTION; VACCINE; VIOLATION; CLASSIFICATION	1/1 0	referred to Senate <a href="#">com</a> .
<a href="#">S1072:</a>	TECH CORRECTION; BANK DEPOSITS	1/1 0	referred to Senate <a href="#">rules</a> only.

<a href="#">S1092</a> :	PRODUCT LIABILITY; CIVIL ACTION; LIMITATION	1/20	Senate <a href="#">jud</a> do pass; report awaited.
<a href="#">S1156</a> :	BLOCKCHAIN TECHNOLOGY; TAX; FEE; PROHIBITION	1/12	referred to Senate <a href="#">fin</a> .
<a href="#">S1182</a> :	TECH CORRECTION; SAVINGS AND LOAN	1/13	referred to Senate <a href="#">rules</a> only.
<a href="#">S1204</a> :	MORTGAGE BROKERS; BANKERS; QUALIFICATIONS	1/18	referred to Senate <a href="#">fin</a> .
<a href="#">S1207</a> :	QUALIFIED SPENDTHRIFT TRUSTS	1/18	referred to Senate <a href="#">jud</a> .
<a href="#">S1222</a> :	EXEMPT PROPERTY; TAX CREDIT; PROCEEDS	1/19	referred to Senate <a href="#">fin</a> .
<a href="#">S1236</a> :	CONSUMER LOAN FINANCE CHARGES	1/20	referred to Senate <a href="#">fin</a> .
<a href="#">S1253</a> :	VEHICLE ACCIDENTS; FINANCIAL RESPONSIBILITY	1/20	referred to Senate <a href="#">trans-tech</a> .
<a href="#">SCM1001</a> :	DONALD J. TRUMP HIGHWAY	1/11	referred to Senate <a href="#">trans-tech</a> .
<a href="#">SCR1013</a> :	MEDIUM OF EXCHANGE; CURRENCY; USE	1/11	referred to Senate <a href="#">fin</a> .
<a href="#">SCR1014</a> :	PROPERTY TAX EXEMPTION; VIRTUAL CURRENCY	1/11	referred to Senate <a href="#">fin</a> .
<a href="#">SM1001</a> :	FINANCIAL INSTITUTIONS; BURDENSOME REPORTING REQUIREMENTS	1/10	referred to Senate <a href="#">fin</a> .