Arizona Legislative Update

February 18, 2022

I. <u>Legislative Update</u>

<u>Session Overview</u>. The legislature can move very quickly and very slowly when considering legislation, and this week it did both. On Monday, leaders of the Republican and Democratic parties in the House and Senate introduced measures to <u>raise the cap on school spending</u> – thus avoiding cuts to school budgets later this spring. The language is carefully crafted to avoid any connection to the <u>ongoing litigation</u> about how the spending cap relates to <u>Proposition 208</u> education funding. The House passed its version of the proposal within 24 hours, exceeding the necessary two-thirds majority with a bipartisan coalition of 45 votes.

The Senate did not act with similar urgency and adjourned for the weekend after President Fann could not get enough votes to lift the school spending cap. Senate Democrats support the measure, but most Senate Republicans say they will not support it until after the courts rule on Proposition 208. President Fann is continuing discussions with her caucus, and rumor has it that she now has the necessary two-thirds and will advance the proposal on Monday.

Motivated by the looming deadline for committee hearings (which is today), committees in both chambers spent long hours considering hundreds of bills. Some bills were controversial, like House proposals to <u>split Maricopa County</u>, direct how <u>EMTs counsel patients</u>, exempt <u>gun sales</u> from taxation, and require schools to <u>teach gun safety</u>.

Senate committees voted to require ballots to be <u>counted by hand</u>, block members of the <u>Chinese Communist Party</u> from buying land in Arizona, authorize legislators to detain anyone who does not follow a <u>legislative subpoena</u>, and limit local governments' <u>lobbying activities</u>. The Senate Health & Human Services Committee approved a bill to restrict irreversible <u>gender reassignment surgeries</u> for minors; the bill is a revised version of a proposal that failed in the Committee <u>last week</u>.

Although most bills passed, bipartisan majorities voted down proposals to give judges the authority to change some <u>mandatory minimum sentences</u>, prohibit the state from some contracts with organizations that have a connection to <u>abortions</u>, and limit <u>photo radar</u>.

During long floor sessions, the House and Senate voted to advance almost 80 bills into the second half of the legislative process. The Senate passed bills to <u>ban abortion</u> after 15 weeks, expand the state's <u>Empowerment Scholarship Account</u> program, and prohibit local government officials from <u>requiring businesses to close</u> during an emergency. House members agreed to require school boards to approve all <u>school library books</u>, make <u>animal shelters</u> try to contact a cat or dog's owner, and require schools to teach about <u>political ideologies</u>.

Republicans and Democrats worked together to limit <u>fireworks at night</u>, ban home insurers from considering <u>dog breeds</u>, require <u>annual increases to law enforcement budgets</u> each year, block investors from forcing condo sales, and appropriate \$1.1 million to close abandoned mines.

<u>Next Week</u>. Today is the last day for bills to advance through policy committees (with the exception of a special meeting for Senate Health on Monday and the respective Appropriations Committees that have

one additional week). Almost 900 bills appear to be dead for this year because they did not meet the deadline for a hearing. More than 600 proposals are still eligible to advance – including <u>a lot of bills about elections</u>. The House and Senate Appropriations Committees have lengthy agendas this coming week, including several strike-everything amendments (unrelated to Appropriations) to revive failed bills or to introduce last minute policy changes.

<u>Focus on Workforce Development</u>. "Workforce development" is a catchphrase used often at the Capitol this year, as Arizona faces a shortage of qualified workers for <u>business</u>, <u>health care</u>, and <u>schools</u>. Governor Ducey started the year with a focus on the nursing workforce, proposing \$25.7 million for a partnership with Creighton University's accelerated program for <u>nursing students</u>. Legislators have added their own ideas, including:

• Investments in health care workers

<u>HB 2691</u> would put \$227.5 million over five years into <u>workforce development</u> for physical and behavioral health care and expand partnerships with university and community college training programs.

Investments in STEM workers

Several proposals hope to direct funding into science, technology, engineering, and math education to increase the workforce in those fields.

- HB 2017 would add \$8.6 million to Maricopa Community College District's STEM and workforce programs;
- HB 2607 allocates \$3 million to STEM learning and workforce opportunities through the Arizona Commerce Authority; and
- o SB 1470 creates a code writers initiative through the Arizona Department of Education.

Investments in adult workers

Some legislators are focused on adult education programs that provide job training skills.

- HB 2123 creates an Adult Workforce Diploma Program, where participants earn a high school diploma along with career and technical skills;
- HB 2122 requires the State Board of Education to create a continuing high school and workforce training program designed to help adult learners receive a high school diploma and the credentials they need to work in industry; and
- HB 2658, which creates a community college adult education workforce development program to help adult learners earn a high school diploma and community college degree or industry-recognized credentials.

These bills are moving through the legislative process with varying degrees of success, and they will continue to drive the discussion – and the budget decisions – about how to increase Arizona's trained workforce.

<u>Election Updates</u>. A Congressional committee wants to talk to <u>Arizona Republican officials</u> about <u>false electors</u>. Some people still hope Governor Ducey runs for the <u>U.S. Senate</u>.

<u>Court Updates</u>. All but <u>one member</u> of the Arizona Supreme Court will consider whether the Senate can <u>keep ballot recount records secret</u> – another step in the Senate's <u>costly legal battles</u>. The Arizona Court of Appeals said the legislature has to follow the <u>open meeting laws</u> it enacts. A Superior Court judge heard

arguments in a case that will decide <u>whether voters will consider</u> the legislature's cuts to income taxes. The Arizona Supreme Court formed a task force to study <u>ethics rules for public attorneys</u>.

<u>News Updates.</u> The number of <u>veterans experiencing homelessness</u> in Arizona has increased. This economist believes <u>housing prices</u> threaten the state's economy. Arizona's getting \$11 million in federal funding for <u>electric vehicle charging stations</u>. States have <u>their own ideas</u> about how to spend federal infrastructure money.

II. <u>Legislative Session Timeline</u>

FEBRUARY

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.
- 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

Tuesday

SB 1182 (tech correction; savings and loan). Senate Appropriations (Tuesday February 22nd at 9:00 am, Senate RM 109).

IV. Recent Action

<u>H2043</u> :	EMPLOYER LIABILITY; COVID-19 VACCINE REQUIREMENT	2/1 7	retained on House COW calendar.
<u>H2047</u> :	STUDENT LOAN SERVICES; LICENSURE	1/1 2	referred to House <u>com, ways</u> <u>-means</u> , <u>educ</u> .

<u>H2048</u> :	STUDENT LOAN SERVICERS; LICENSURE	1/1 2	referred to House <u>mil-pub</u> <u>safety</u> , <u>jud</u> , <u>nat</u> <u>res-energy-water</u> .
<u>H2104</u> :	COMMUNITY PROPERTY AWARD; CONVICTED SPOUSE	2/1 7	referred to Senate <u>jud</u> .
<u>H2107</u> :	EMERGENCY POWERS; BUSINESS CLOSURE; REPEAL.	2/1 7	passed House <u>31-</u> <u>28</u> ; ready for Senate.
H2216:	AUTO TITLE LOANS; TITLE; INTEREST	1/1 9	referred to House <u>com</u> , <u>gov-</u> <u>elect</u> .
<u>H2356</u> :	EMPLOYERS; BUSINESSES; COVID-19 VACCINE RECORD	1/2 0	referred to House <u>com</u> .
<u>H2389</u> :	RULEMAKING REVIEW; TIME FRAME	2/1 7	passed House <u>49-</u> <u>9</u> ; ready for Senate.
<u>H2472</u> :	BUSINESSES; FIREARMS; UNLAWFUL ACTS	1/2 4	referred to House <u>jud</u> .
<u>H2475</u> :	EMPLOYERS; COVID-19 VACCINE MANDATE; PROHIBITION	1/2 4	referred to House <u>jud</u> .
<u>H2479</u> :	MOTOR VEHICLES; REGISTRATIONS; TITLES; DEALERS	1/2 4	referred to House <u>trans</u> .
<u>H2480</u> :	VEHICLE SERIAL NUMBERS; REMOVAL; RESTORATION	2/1 7	passed House <u>58-</u> <u>0</u> ; ready for Senate.
<u>H2599</u> :	ADMINISTRATIVE HEARINGS; GRRC	2/1 6	from House <u>com</u> with amend <u>#4213</u> .

<u>H2601</u> :	KRATOM PRODUCTS; DEFINITIONS	2/1 7	passed House <u>38-</u> <u>20</u> ; ready for Senate.
<u>H2656</u> :	CERTAIN AFFILIATIONS; BANKS; PROHIBITION	2/1 6	from House <u>com</u> with amend <u>#4214</u> .
<u>H2813</u> :	VEHICLE FINANCE TRANSACTION; CLEAR TITLE	2/9	referred to House <u>trans</u> .
<u>H2825</u> :	MOBILE HOMES INSPECTIONS; TITLE TRANSFERS	2/1 7	from House <u>trans</u> do pass.
<u>\$1048</u> :	EMERGENCY POWERS; BUSINESS CLOSURE; REPEAL	2/1 6	passed Senate <u>16-13;</u> ready for House.
<u>\$1052</u> :	MEDICAL PROCEDURES; PROHIBITIONS	1/1 0	referred to Senate <u>hel-hu</u> <u>ser</u> .
<u>\$1053</u> :	RELIGIOUS EXEMPTION; VACCINE; VIOLATION; CLASSIFICATION	2/1 7	from Senate <u>com</u> do pass.
<u>\$1072</u> :	TECH CORRECTION; BANK DEPOSITS	1/1 0	referred to Senate <u>rules</u> only.
<u>\$1092</u> :	PRODUCT LIABILITY; CIVIL ACTION; LIMITATION	2/2	passed Senate <u>17-12;</u> ready for House.
<u>S1156</u> :	BLOCKCHAIN TECHNOLOGY; TAX; FEE; PROHIBITION	1/1 2	referred to Senate <u>fin</u> .
<u>S1182</u> :	TECH CORRECTION; SAVINGS AND LOAN	2/1 7	further referred to Senate <u>appro</u> .

<u>\$1204</u> :	MORTGAGE BROKERS; BANKERS; QUALIFICATIONS	2/1 7	from Senate <u>fin</u> with amend <u>#4248</u> .
<u>\$1207</u> :	QUALIFIED SPENDTHRIFT TRUSTS	1/1 8	referred to Senate <u>jud</u> .
<u>\$1222</u> :	EXEMPT PROPERTY; TAX CREDIT; PROCEEDS	2/1 0	Senate COW approved with amend #4051.
<u>S1236</u> :	CONSUMER LOAN FINANCE CHARGES	2/1	from Senate <u>rules</u> okay
<u>\$1253</u> :	VEHICLE ACCIDENTS; FINANCIAL RESPONSIBILITY	2/1 0	passed Senate <u>28-0;</u> ready for House.
<u>\$1254</u> :	MEDICAL PRODUCT; PROCEDURE; MANDATES; LIABILITY	2/1 4	withdrawn from Senate <u>com</u> .
<u>S1262</u> :	GOVERNMENT LENDING PROGRAMS; AUDITOR GENERAL	2/1 7	from Senate <u>fin</u> with amend <u>#4238</u> .
<u>\$1265</u> :	PROPERTY TAX LIENS; FORECLOSURE; NOTICE	2/1 6	passed Senate <u>28-0;</u> ready for House.
<u>\$1341</u> :	LEGAL TENDER; SPECIE; BITCOIN	1/2 5	referred to Senate <u>fin</u> .
<u>\$1375</u> :	RETIREMENT SAVINGS PROGRAM; STATE TREASURER	2/1 0	from Senate <u>fin</u> with amend <u>#4136</u> .
<u>\$1383</u> :	DISSOLUTION OF MARRIAGE; ANNULMENT	2/1 4	passed Senate <u>28-0;</u> ready for House.

<u>\$1394</u> :	DIFI; BUSINESS NAME; TRADE NAME	2/1 5	passed Senate <u>29-0</u> ; ready for House.
<u>S1414</u> :	VACCINE REQUIREMENTS; EMPLOYERS; PROHIBITION	2/7	referred to Senate <u>com</u> .
<u>\$1422</u> :	EMPLOYMENT PRACTICES; CONSUMER REPORTS; LIMITATION	1/2 6	referred to Senate <u>com</u> .
<u>S1461</u> :	INCOME TAX; SUBTRACTION; FDIC PREMIUMS	2/1 4	passed Senate <u>19-9;</u> ready for House.
<u>\$1493</u> :	PUBLIC EMPLOYEES; SALARIES; VIRTUAL CURRENCY	1/2 7	referred to Senate <u>fin</u> .
<u>\$1580</u> :	MONEY TRANSMISSION; MONEY TRANSMITTER LICENSURE	2/1 5	from Senate <u>rules</u> okay
<u>\$1582</u> :	HOMESTEAD EXEMPTIONS; AMOUNT	2/1 7	passed Senate <u>28-1;</u> ready for House.
<u>\$1614</u> :	FINANCIAL INSTITUTION; DEPOSITORIES	2/1	referred to Senate <u>fin</u> .
<u>\$1685</u> :	MICROBUSINESS LOANS; COMMERCE AUTHORITY	2/2	referred to Senate <u>com</u> .
<u>SCM1001</u> :	DONALD J. TRUMP HIGHWAY	1/1 1	referred to Senate <u>trans-</u> <u>tech</u> .
<u>SCR1013</u> :	MEDIUM OF EXCHANGE; CURRENCY; USE	1/1 1	referred to Senate <u>fin</u> .
<u>SCR1014</u> :	PROPERTY TAX EXEMPTION; VIRTUAL CURRENCY	1/1 1	referred to Senate <u>fin</u> .

SM1001: FINANCIAL INSTITUTIONS; BURDENSOME REPORTING REQUIREMENTS

2/9 passed
Senate 16-13;
ready for
Secretary of
State.