

I. Legislative Update

Session Overview. Lawmakers rarely welcome court rulings that say they violated the Arizona Constitution. This week, however, a Yavapai County Superior Court's ruling against legislative changes to precinct committee elections brought House and Senate Republicans [a reason to celebrate](#). The court ruling overturned a controversial provision enacted when the legislature rushed through a change to the signature-gathering process for political candidates. The unintended change to precinct elections infuriated Republican party leaders and sparked conflict between political parties at the Capitol when Democrats refused to immediately overturn that part of the new law. By [ruling](#) that the new law violated the Constitution's limits on [special legislation](#), the court removed the provision, reset the precinct elections, and eliminated the need for the legislature to act on the issue.

There were plenty of other policies to debate at the Capitol this week. Policy committees stretched for hours as lawmakers rushed to consider bills before today's deadline for committee hearings. House committees voted to strengthen penalties against [assaults on health care workers](#), study the use and supply of [hydrogen](#), ban [COVID-19 vaccine requirements](#) for students, ask voters to raise [taxes for fire districts](#), and prevent cities from taxing [residential rental properties](#).

In the Senate, committees voted to create a [health care workforce](#) grant program, require surveillance for [ballot drop boxes](#), increase stipends for [kinship foster care](#), [allow fireworks](#) for Diwali and other religious holidays, and require schools to have a daily [moment of silence](#) and teach about [gun safety](#) and [political ideologies](#). The Senate Government Committee approved a [controversial bill](#) that would end most early voting and require ballots to be counted by hand rather than by machine. The bill is unlikely to pass the legislature, but the Committee provided a forum for some Republican lawmakers to express their opposition to early voting.

Debates got heated during House and Senate floor sessions, as well. In the House, Republicans overcame Democratic opposition and passed bills that [ban abortion](#) after 15 weeks, limit [transgender](#) surgeries and school sports participation, and extend [property tax benefits](#) for businesses. Senate Republicans approved bills to increase [citizenship verification](#) for voters, outline what can be considered in [personal injury claims](#) for inmates' workplace injuries, and prohibit local governments from [closing businesses](#) during an emergency. The Senate failed to pass a bill that requires government entities to [provide enough seating](#) for meeting attendees.

While controversial bills dominated the debates, most bills passed with bipartisan support. Legislators unanimously approved bills to prohibit registered sex offenders from working as [taxi drivers](#), expand access to [organ transplants](#) for individuals with disabilities, prohibit HOAs from banning [artificial turf](#), and create standard requirements for designing new [specialty license plates](#).

Governor's Action on Legislation. So far this year, Governor Ducey has enacted [61 new laws](#) and has not vetoed any.

Next Week. Only the Appropriations Committees are scheduled to meet next week, and they will consider almost 60 bills (many of which are last minute strike-everything amendments to revive bills that stalled). Lawmakers will also participate in floor sessions as they advance bills closer to the Governor's desk.

Budget Update. There is still no sign of a budget agreement, and it is unclear how much progress Republicans are making in their closed-door negotiations. Those discussions could be further complicated by the increasing amount of money lawmakers have available to spend.

The latest numbers from legislative economists show that the state collected \$198 million more than expected during the month of February. While the total collections are 12.5% lower than they were last February, they still added \$725 million to the state's coffers. Economists are quick to note that these

statistics are “substantially overstated” because of financial swings during tax season, but the numbers reflect strong revenues from every major tax category.

- Sales taxes continued their double-digit growth, climbing 16.2% compared to last year. The growth comes from all sales tax categories: Arizonans are eating at restaurants, attending events, and buying things. February was the 20th month in a row that saw double-digit increases in retail spending. Arizonans are buying things both in stores and online, but they are spending more online – online shopping grew by 42.1% this year, compared to an 18.8% increase for in-person shopping.
- Individual income taxes are volatile because of refunds and payments during tax season. When adjusted to account for pandemic-era filing delays, legislative economists believe this tax category has grown 11% compared to last year. Arizonans paid \$170.6 million toward individual income taxes in February.
- Corporate income taxes generated \$25 million last month – that’s 44.2% higher than last February. This fiscal year, corporate income taxes are 52.3% higher than last year.

A panel of economic advisors will meet at the Capitol next week to provide a new forecast for the state’s budget surplus. Their [most recent estimate](#) in January predicted the state’s surplus would total \$3.1 billion this fiscal year: \$1 billion for ongoing spending priorities and \$2.1 billion for one-time investments.

The solid financial metrics stem from positive indicators in Arizona’s economy. This week, the Arizona Commerce Authority [announced](#) that the state’s unemployment rate dropped to 3.6% – a trend also seen on the [national level](#).

Election Updates. Senator Kelly Townsend (R-Apache Junction) issued [another subpoena](#) to Maricopa County, and the County is [not happy about it](#). The Senate’s ballot review wrapped up with [a report](#) that said there was no evidence of problems with Maricopa County election equipment in the 2020 election; Senate President Karen Fann (R-Prescott) hopes it will [restore faith](#) in elections. Arizonans like to [vote by mail](#). There are a lot of [campaign ads](#) in Arizona. Many of the proposed changes to [election laws](#) will be back next year. A Maricopa County Superior Court judge said [Cyber Ninjas CEO](#) and his wife could be liable for court-ordered fines, even if the company goes away. Maricopa County Attorney, Allister Adel, resigned effective today after pressure was mounting (including from the State Bar) due to ongoing struggles with alcoholism that led to numerous problems in the office. The race to be the next Maricopa County Attorney puts focus on the state’s [online signature collection system](#).

Court Updates. A federal judge agreed with part of a lawsuit led by Arizona, partially blocking [federal immigration priorities](#). An Arizona Supreme Court task force published recommendations for [countering disinformation](#).

News Updates. Cochise County residents are going directly to voters to pursue oversight of [rural groundwater](#). Arizona is the first state to use [Apple Wallet](#) for official ID. Water and energy officials are closely watching [Lake Powell](#). Governor Ducey appointed new members to [education oversight boards](#). People [moved to Phoenix](#) during the pandemic.

II. Legislative Session Timeline

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

HB 2637 – striker re: (banks; certain affiliations; prohibition). Senate Appropriations. Tuesday, March 29th at 9:00 a.m. & Thursday, March 31st at 10:30 a.m. in Senate RM 109.

IV. Recent Action

H2043 :	EMPLOYER LIABILITY; COVID-19 VACCINE REQUIREMENT	2/2 4	retained on House COW calendar.
H2047 :	STUDENT LOAN SERVICES; LICENSURE	1/1 2	referred to House com , ways- means , educ .
H2048 :	STUDENT LOAN SERVICERS; LICENSURE	1/1 2	referred to House mil-pub safety , jud , nat res- energy-water .
H2104 :	COMMUNITY PROPERTY AWARD; CONVICTED SPOUSE	3/2 4	signed by governor. Chap. no. awaited.
H2107 :	EMERGENCY POWERS; BUSINESS CLOSURE; REPEAL.	3/2 3	Senate COW approved. Passed Senate 16-12 ; ready for governor.
H2216 :	AUTO TITLE LOANS; TITLE; INTEREST	1/1 9	referred to House com , gov- elect .
H2356 :	EMPLOYERS; BUSINESSES; COVID-19 VACCINE RECORD	1/2 0	referred to House com .
H2389 :	RULEMAKING REVIEW; TIME FRAME	3/1 7	from Senate nat res-energy- water with amend #4790 .
H2472 :	BUSINESSES; FIREARMS; UNLAWFUL ACTS	1/2 4	referred to House jud .
H2475 :	EMPLOYERS; COVID-19 VACCINE MANDATE; PROHIBITION	1/2 4	referred to House jud .
H2479 :	MOTOR VEHICLES; REGISTRATIONS; TITLES; DEALERS	1/2 4	referred to House trans .
H2480 :	VEHICLE SERIAL NUMBERS; REMOVAL; RESTORATION	3/2 4	signed by governor. Chap. no. awaited.
H2599 :	ADMINISTRATIVE HEARINGS; GRRC	3/2 2	from Senate rules okay.

H2601:	KRATOM PRODUCTS; DEFINITIONS	3/2 2	from Senate rules okay.
H2656:	CERTAIN AFFILIATIONS; BANKS; PROHIBITION	3/8	FAILED House on reconsideration 29-29 .
H2813:	VEHICLE FINANCE TRANSACTION; CLEAR TITLE	2/9	referred to House trans .
H2825:	MOBILE HOMES INSPECTIONS; TITLE TRANSFERS	2/1 7	from House trans do pass.
S1048:	EMERGENCY POWERS; BUSINESS CLOSURE; REPEAL	2/2 8	House mil-pub safety held.
S1052:	MEDICAL PROCEDURES; PROHIBITIONS	1/1 0	referred to Senate hel-hu ser .
S1053:	RELIGIOUS EXEMPTION; VACCINE; VIOLATION; CLASSIFICATION	2/2 3	passed Senate 16-12 ; ready for House.
S1072:	TECH CORRECTION; BANK DEPOSITS	1/1 0	referred to Senate rules only.
S1092:	PRODUCT LIABILITY; CIVIL ACTION; LIMITATION	3/2 4	withdrawn from House jud and further referred to House appro .
S1156:	BLOCKCHAIN TECHNOLOGY; TAX; FEE; PROHIBITION	1/1 2	referred to Senate fin .
S1182:	COMMERCE AUTHORITY; REPORTS; CAREER LANDSCAPE	3/2 4	from House gov-elect with amend #4863 .
S1204:	MORTGAGE BROKERS; BANKERS; QUALIFICATIONS	3/2 3	from House com with amend #4836 .
S1207:	QUALIFIED SPENDTHRIFT TRUSTS	1/1 8	referred to Senate jud .
S1222:	EXEMPT PROPERTY; TAX CREDIT; PROCEEDS	3/2 4	from House appro do pass.
S1236:	CONSUMER LOAN FINANCE CHARGES	2/1	from Senate rules okay.
S1240:	DENTAL BOARD; ACCESS TO RECORDS	3/2 2	from House hel-hu ser with amend #4812 .
S1253:	VEHICLE ACCIDENTS; FINANCIAL RESPONSIBILITY	2/1 0	passed Senate 28-0 ; ready for House.

S1254:	MEDICAL PRODUCT; PROCEDURE; MANDATES; LIABILITY	2/1 4	withdrawn from Senate com .
S1262:	GOVERNMENT LENDING PROGRAMS; REPORTS	3/9	from House gov-elect do pass.
S1265:	PROPERTY TAX LIENS; FORECLOSURE; NOTICE	3/1 8	signed by governor. Chap. 17, Laws 2022.
S1341:	LEGAL TENDER; SPECIE; BITCOIN	1/2 5	referred to Senate fin .
S1375:	RETIREMENT SAVINGS PROGRAM; STATE TREASURER	3/2 4	from House gov-elect with amend #4865 .
S1383:	DISSOLUTION OF MARRIAGE; ANNULMENT	3/1 7	House COW approved with flr amend #4789 . Passed House 54-4 ; returned to Senate for concurrence in House amendments.
S1394:	DIFI; BUSINESS NAME; TRADE NAME	3/2 3	signed by governor. Chap. 45, Laws 2022.
S1414:	VACCINE REQUIREMENTS; EMPLOYERS; PROHIBITION	2/7	referred to Senate com .
S1422:	EMPLOYMENT PRACTICES; CONSUMER REPORTS; LIMITATION	1/2 6	referred to Senate com .
S1461:	INCOME TAX; SUBTRACTION; FDIC PREMIUMS	3/2	referred to House ways-means .
S1493:	PUBLIC EMPLOYEES; SALARIES; VIRTUAL CURRENCY	1/2 7	referred to Senate fin .
S1580:	MONEY TRANSMISSION; MONEY TRANSMITTER LICENSURE	3/1 6	from House com do pass.
S1582:	HOMESTEAD EXEMPTIONS; AMOUNT	3/2	referred to House ways-means .
S1614:	FINANCIAL INSTITUTION; DEPOSITORIES	2/1	referred to Senate fin .
S1685:	MICROBUSINESS LOANS; COMMERCE AUTHORITY	2/2	referred to Senate com .

SCM1001 DONALD J. TRUMP HIGHWAY :	1/1 1	referred Senate	to trans-tech .
SCR1013 : MEDIUM OF EXCHANGE; CURRENCY; USE	1/1 1	referred Senate	to fin .
SCR1014 : PROPERTY TAX EXEMPTION; VIRTUAL CURRENCY	1/1 1	referred Senate	to fin .
SM1001 : FINANCIAL INSTITUTIONS; REQUIREMENTS	BURDENSOME REPORTING 2/9	passed Senate	16-13 ; ready for Secretary of State.