I. <u>Legislative Update</u>

<u>Session Overview</u>. The pace of the legislative session slowed to a crawl this week, delayed by legislators' absences and the closed-door quest for agreement on a state budget and tax cut package. House and Senate Republicans are still trying to <u>broker a deal</u> that will reenact an income tax cut and add new funding for education ("repeal and accelerate"). They are also hoping to find a compromise that generates more support for Governor Ducey's proposed <u>new water agency</u>. If legislative leaders find enough votes for either effort, the Governor will be ready to call a special session.

This week's House and Senate floor sessions were brief and mostly quiet. The Senate sidelined a bill to give the <u>Arizona Office of Tourism</u> more authority and narrowly approved a bill to require schools to designate a moment of silence each day, but most bills passed with strong bipartisan support.

The House advanced proposals that add new requirements for <u>auto glass repair</u>, give schools more flexibility over how students spend their <u>instructional time</u>, and require a study on the use of <u>off-highway</u> vehicles in Arizona.

The Senate voted to waive <u>opioid prescription limits</u> for some patients, tell HOAs they cannot ban <u>political</u> <u>signs</u>, permit counties to work with other governments to <u>increase water supplies</u>, and allow more Purple Heart recipients to qualify for <u>free tuition</u>.

The House and Senate wrapped up the week with a joint session to hear from Dmytro Kushneruk, a Consul General of Ukraine.

<u>Governor Ducey Highlights</u>. Governor Ducey signed 12 bills this week – including proposals to alter how religious beliefs affect <u>adoption processes</u>, establish civil liability for someone who knowingly harms an individual with <u>intimate images</u>, and bar individuals convicted of <u>cruelty to animals</u> from having pets.

This year, the Governor has signed 118 bills and vetoed none.

<u>Next Week</u>. The slow progress at the Capitol is likely to continue until lawmakers have a budget or the Governor calls a special legislative session. Legislators still have more than 400 bills to consider in the regular legislative session – including changes to the regulation of <u>short-term rental houses</u> and a rewrite of Arizona's education funding formulas.

<u>Candidate Filing Deadline – April 4th</u>. This week, political hopefuls around the state filed the voter signatures necessary to run for office in the 2022 election cycle. A total of 210 people will compete for 90 seats in the state legislature. (The number of candidates could change: Write-in candidates can still collect signatures to add their names to the ballot, and some candidates may get bumped off the ballot if they do not have enough valid signatures.)

The candidate list highlights some important factors for this election cycle.

For some legislators, the election is just a formality.

Eleven current legislators – four Democrats and seven Republicans – are unopposed in their quest for another term in office.

For some legislators, the legislative session is the campaign trail.

In five legislative districts, current legislators are vying against each other for another term in office. That means 12 lawmakers are running against a current colleague – often a member of their own political party. Those races will impact the rest of the legislative session, as lawmakers consider political calculations behind high-profile votes and debates.

For some, the legislature still has an appeal.

Ten former lawmakers hope to return to the Capitol next year – eight Republicans and two Democrats.

Some left the legislature after many years of service; others' political careers were cut short by election losses. Now they want another chance to make their mark on state policies. Many of them are running against sitting legislators of their own party – further evidence of the fractures within each political party.

Political parties still have power.

While a growing number of Arizona voters leave political parties to register as independent voters, almost all legislative candidates pursue office under the label of "Democrat" or "Republican." Just two legislative candidates qualified for the ballot outside those parties: One Independent and one Libertarian. (Another Independent collected enough signatures to run for Congress.)

There will be a lot of new faces at the Capitol next year.

Fifteen current lawmakers are not running, and competitions between legislators will force another five to leave office if they lose in the August primary election. Other legislators face tough election challenges that could threaten their chances for another term.

<u>Click here</u> to learn more about the candidates.

<u>Budget Update – Surplus Exceeds \$4 Billion</u>. Legislative economists believe the state will have \$4.09 billion in surplus funding by the end of June – a number that is almost \$1 billion higher than they forecasted just a few months ago. The increased money comes from strong economic performances and growing tax revenues, as the legislative <u>budget staff reports</u> each month. The surplus would climb even higher if courts do not reinstate the education funding mechanism enacted in <u>Proposition 208</u>.

The <u>Finance Advisory Committee</u>, a panel of economists that provides advice to lawmakers several times a year, said policymakers must be careful how they allocate the surplus. An estimated \$1.29 billion is designated as ongoing revenue that can be used for priorities that cost money over time, while \$2.8 billion comes from one-time sources that are best used for short-term investments.

These forecasts do not include the \$985 million balance in the state's savings account.

The economists tempered the update with a warning for state policymakers: The good news might not be permanent, and lawmakers should avoid "over-exuberance" when allocating funding to tax cuts or funding priorities. While growth this fiscal year is certain, a variety of state, national, and global factors could reduce economic performance over the next few years.

<u>Election Updates</u>. The Arizona Attorney General issued an interim report about <u>his investigation</u> into the 2020 general election; <u>Maricopa County officials</u> said the report does not provide any examples of problems.

<u>Court Updates</u>. The Arizona Supreme Court will not fast-track the Arizona Republican Party's efforts to <u>end early voting</u>. The Attorney General's legal fight against <u>university building projects</u> can move forward. <u>News Updates</u>. Arizona's debates about <u>abortion</u> and <u>rural water management</u> are not over. There are multiple reasons state legislators <u>have not gotten a raise</u>. Arizona's not the only state looking for ways to prevent <u>fentanyl deaths</u>. The state's <u>tech sector</u> continues to grow.

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

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

There are no hearings scheduled for bills of relevance to MWCUA.

IV. <u>R</u>	ecent Action	
<u>H2043</u> :	EMPLOYER LIABILITY; COVID-19 VACCINE REQUIREMENT	2/24 retained on House COW calendar.
<u>H2047</u> :	STUDENT LOAN SERVICES; LICENSURE	1/12 referred to House com, ways- means, educ.
H2048:	STUDENT LOAN SERVICERS; LICENSURE	1/12 referred to House mil-pub safety, jud, nat resenergy-water.
<u>H2104</u> :	COMMUNITY PROPERTY AWARD; CONVICTED SPOUSE	3/24 signed by governor. Chap. 53, Laws 2022.
<u>H2107</u> :	EMERGENCY POWERS; BUSINESS CLOSURE; REPEAL.	3/30 signed by governor. Chap. 86, Laws 2022.
<u>H2216</u> :	AUTO TITLE LOANS; TITLE; INTEREST	1/19 referred to House com, govelet.
<u>H2248</u> :	FAILURE TO RETURN VEHICLE; REPEAL	2/17 referred to Senate trans-tech.
<u>H2351</u> :	ARIZONA BOARD OF REGENTS; CONTINUATION	3/29 from Senate <u>rules</u> okay.
<u>H2356</u> :	EMPLOYERS; BUSINESSES; COVID-19 VACCINE RECORD	1/20 referred to House com.
<u>H2389</u> :	RULEMAKING REVIEW; TIME FRAME	4/4 from Senate <u>rules</u> okay.
<u>H2472</u> :	BUSINESSES; FIREARMS; UNLAWFUL ACTS	1/24 referred to House jud.
<u>H2475</u> :	EMPLOYERS; COVID-19 VACCINE MANDATE; PROHIBITION	1/24 referred to House jud.
<u>H2479</u> :	MOTOR VEHICLES; REGISTRATIONS; TITLES; DEALERS	1/24 referred to House trans.
<u>H2480</u> :	VEHICLE SERIAL NUMBERS; REMOVAL; RESTORATION	3/24 signed by governor. Chap. 58, Laws 2022.
<u>H2599</u> :	ADMINISTRATIVE HEARINGS; GRRC	3/22 from Senate <u>rules</u> okay.
<u>H2601</u> :	KRATOM PRODUCTS; DEFINITIONS	3/22 from

			Senate <u>rules</u> oka	11/
<u>H2656</u> :	CERTAIN AFFILIATIONS; BANKS; PROHIBITION	3/8	FAILED House reconsideration 29.	on
<u>H2813</u> :	VEHICLE FINANCE TRANSACTION; CLEAR TITLE	2/9	referred House <u>trans</u> .	to
<u>H2825</u> :	MOBILE HOMES INSPECTIONS; TITLE TRANSFERS	2/17	from House <u>trans</u> do pass.	
<u>\$1048</u> :	EMERGENCY POWERS; BUSINESS CLOSURE; REPEAL	2/28	House <u>mil-pub</u> <u>safety</u> held.	
<u>\$1052</u> :	MEDICAL PROCEDURES; PROHIBITIONS	1/10	referred Senate <u>hel-hu se</u>	to e <u>r</u> .
<u>\$1053</u> :	RELIGIOUS EXEMPTION; VACCINE; VIOLATION; CLASSIFICATION	2/23	passed Senate <u>12;</u> ready House.	<u>16-</u> for
<u>\$1072</u> :	TECH CORRECTION; BANK DEPOSITS	1/10	referred Senate <u>rules</u> onl	to y.
<u>\$1092</u> :	PRODUCT LIABILITY; CIVIL ACTION; LIMITATION	3/24	withdrawn fr House <u>jud</u> and further referred House <u>appro</u> .	om I to
<u>S1156</u> :	BLOCKCHAIN TECHNOLOGY; TAX; FEE; PROHIBITION	1/12	referred Senate <u>fin</u> .	to
<u>\$1182</u> :	COMMERCE AUTHORITY; REPORTS; CAREER LANDSCAPE	3/29	from House <u>rules</u> oka	у.
<u>\$1204</u> :	MORTGAGE BROKERS; BANKERS; QUALIFICATIONS	4/7		ate
<u>\$1207</u> :	QUALIFIED SPENDTHRIFT TRUSTS	1/18	referred Senate <u>jud</u> .	to
<u>\$1222</u> :	EXEMPT PROPERTY; TAX CREDIT; PROCEEDS	3/24	from House <u>appro</u> do pass.	
<u>\$1236</u> :	CONSUMER LOAN FINANCE CHARGES	2/1	from Senate <u>rules</u> oka	ıy.
<u>\$1240</u> :	DENTAL BOARD; ACCESS TO RECORDS	4/7	Senate concur in Ho	red use

			amendments passed on reading <u>25-1</u> ; refor governor.	and final eady
<u>\$1253</u> :	VEHICLE ACCIDENTS; FINANCIAL RESPONSIBILITY	2/10	passed Senate 0; ready for Ho	
<u>\$1254</u> :	MEDICAL PRODUCT; PROCEDURE; MANDATES; LIABILITY	2/14	withdrawn for Senate com.	from
<u>S1262</u> :	GOVERNMENT LENDING PROGRAMS; REPORTS	3/9	from House elect do pass.	gov-
<u>S1265</u> :	PROPERTY TAX LIENS; FORECLOSURE; NOTICE	3/18	signed by gover Chap. 17, I 2022.	rnor. Laws
<u>S1341</u> :	LEGAL TENDER; SPECIE; BITCOIN	1/25	referred Senate <u>fin</u> .	to
<u>\$1375</u> :	RETIREMENT SAVINGS PROGRAM; STATE TREASURER	3/28	withdrawn f House <u>appro</u> .	from
<u>S1383</u> :	DISSOLUTION OF MARRIAGE; ANNULMENT	3/30	House na Blackman, Hernandez, Parker to the I conference committee. Conferees Petersen, Quez Rogers, Blackr M. Hernandez, Parker.	are: ada, man,
<u>\$1394</u> :	DIFI; BUSINESS NAME; TRADE NAME	3/23	signed by gover Chap. 45, I 2022.	
<u>\$1414</u> :	VACCINE REQUIREMENTS; EMPLOYERS; PROHIBITION	2/7	referred Senate <u>com</u> .	to
<u>\$1422</u> :	EMPLOYMENT PRACTICES; CONSUMER REPORTS; LIMITATION	1/26	referred Senate <u>com</u> .	to
<u>S1461</u> :	INCOME TAX; SUBTRACTION; FDIC PREMIUMS	3/2	referred House <u>ways-</u> <u>means</u> .	to
<u>\$1493</u> :	PUBLIC EMPLOYEES; SALARIES; VIRTUAL CURRENCY	1/27	referred Senate <u>fin</u> .	to
<u>\$1580</u> :	MONEY TRANSMISSION; MONEY TRANSMITTER LICENSURE	3/29	from House <u>rules</u> oka	ay.
<u>\$1582</u> :	HOMESTEAD EXEMPTIONS; AMOUNT	3/2	referred House <u>ways-</u>	to

			means.	
<u>S1614</u> :	FINANCIAL INSTITUTION; DEPOSITORIES	2/1	referred Senate <u>fin</u> .	to
<u>\$1685</u> :	MICROBUSINESS LOANS; COMMERCE AUTHORITY	2/2	referred Senate <u>com</u> .	to
<u>SCM1001</u>	DONALD J. TRUMP HIGHWAY	1/11	referred Senate <u>trans-tec</u>	to <u>h</u> .
<u>SCR1013</u> :	MEDIUM OF EXCHANGE; CURRENCY; USE	1/11	referred Senate <u>fin</u> .	to
<u>SCR1014</u> :	PROPERTY TAX EXEMPTION; VIRTUAL CURRENCY	1/11	referred Senate <u>fin</u> .	to