





City of Sierra Vista August 23, 2022



Today's Agenda



Overview of Arizona Legislature



2022 Legislative Session Highlights



Political Landscape – 2022 General Election



Q & A

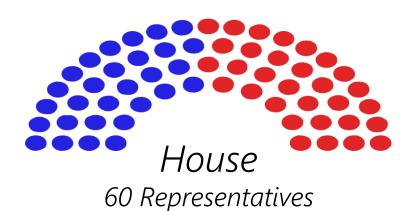


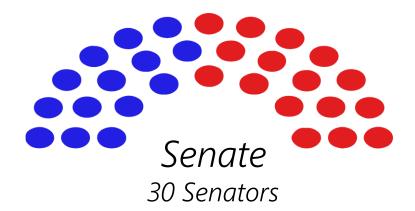


2022 Arizona Legislature



2022 Arizona Legislature









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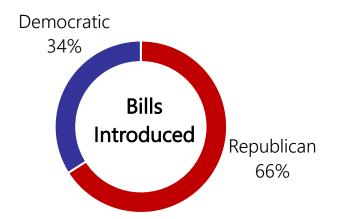
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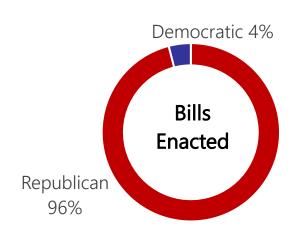


55th Legislature – 2nd Regular Session

Sine Die June 25, 2022, at 12:25 a.m. 166-Days General Effective Date September 24, 2022

	House	Senate	Total
Introduced	944	803	1,747
Passed	220	172	392
Enacted Includes HB2156 w/o signature	218	170	388
Vetoed	2	2	4









2022 Legislative Highlights



The Good, The Bad and The Ugly



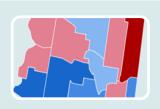
Relationships

Tight margins delivered historic bipartisan state budget, but also led to significant intra-caucus and external tension & divisiveness.



Great Resignation

All time high 13 vacancies resulted in 11 new legislators taking office in January and 2 switching from House to Senate.



Redistricting

With new district boundaries, every candidate is running in a new district. Several incumbents from neighboring districts were mapped into the same district and faced each other in the primary.



Election 2022

The 2022 campaign overshadowed the policy conversation. The turn-over will be at an all-time high, with 25 legislators not seeking reelection and 14 incumbents loosing in the primary elections (3 lost to incumbents).



The Good, The Bad, and The Ugly

- \$5.3 billion budget surplus
- Bipartisan budget for the first time in 15 years
 - \$18B budget package, largest spending plan in state history
- First line-item budget veto issued by Gov. Ducey
 - Removed \$3.6B earmarked for hyperbaric oxygen therapy for veterans
- Vetoed Prop. 400 Expansion
 - Ballot Referral for Proposed Transportation Tax Extension in Maricopa County (HB2685)
- Continued allegations about election fraud
 - Legislators subpoenaed to testify in front of the Congressional January 6 Committee
- Multiple ethics complaints
- Unconventional sine die for the Senate due to protest





Historic Bipartisan State Budget

The approved \$18 billion budget package (\$16 billion in General Fund Spending and \$2 billion from TPT transfers/one-time state tax revenues used for new spending priorities) is the largest spending plan in state history (for comparison, last year's spending plan was \$12.8 billion).

FY2022- FY2023 Budget Highlights:

- \$1 billion in new water infrastructure over three years
- \$1 billion in transportation projects
- \$1 billion to reduce state's pension liability and pay off debt
- \$925 million in spending for K-12 education
- \$544 million in border security with \$335 million to construct a physical barrier
- \$477 million in health and welfare investments
- \$425 million deposit in the state's rainy-day fund
- \$387 million in public safety



Water Infrastructure

SB 1740 water infrastructure financing; supply; augmentation (Kerr)

The FY 2023 budget includes \$334 million for the first year of a \$1 billion deposit into the Long-term Water Augmentation Fund. This money will be set aside for use on projects that increase Arizona's supply of water, mainly from out of state.

In addition to these large investments, the FY 2023 budget includes smaller targeted investments for water-related projects including:

- \$10 million in grants to Eastern Arizona counties for water related projects.
- \$6.4 million into the Water Quality Fee Fund for water quality related projects.
- \$3.5 million annually for water needs assessments.
- \$1.5 million for the Arizona Department of Environmental Quality to write the rules that establish the reuse of treated wastewater.
- \$1 million for deposit into the water protection fund that provides grants to cities to improve streams and other riparian environments.
- \$400,000 to increase staffing at the Department of Water Resources to conduct ongoing reviews of water supplies for development projects.



Border Security

The FY 2023 budget includes \$564 million in border security related investments. Including, \$335 million to finish constructing a physical barrier between Arizona and Mexico.

The remaining \$229 million is allocated across state agencies and county sheriffs to improve operational capabilities to address the rise in border related crime and provide for more security to Arizona citizens including:

- \$53 million to provide retention and attraction stipends to sheriffs' deputies
- \$45 million to construct new facilities to enable a coordinated law enforcement response. Of that appropriation, \$30 million is allocated for a new emergency operations center and \$15 million for a new fusion center in Marana.
- \$35 million for additional state troopers in the border strike force & more sheriff deputy positions
- \$30 million to local prosecutors to reimburse them for border related crimes.
- \$20 million to help Cochise County construct a new jail.
- \$15 million to transport migrants out of state.
- \$10 million for national guard deployment.
- \$10 million for emergency care and health-related testing of migrants.
- \$10 million to both reduce human trafficking through the use of enhanced data analytics and to provide support to organizations that help those who have been trafficked.



Local Government Bills

Covid-19

- HB 2107 emergency powers; business closure; repeal (Biasiucci) Signed
- <u>HB 2453 governmental entities; mask requirement; prohibition</u> (Carter) Signed
- HB 2498 COVID-19; vaccination requirements; prohibition (Hoffman) Signed
- HB 2043 employer liability; COVID-19 vaccine requirement (Nguyen) Died
- <u>SB 1298 government mask mandate; prohibition (Rogers)</u> Died
- SB 1592 governor's declaration; fiscal impact analysis (Gray) Vetoed

Housing

- HB 2674 NOW: housing supply study committee (Kaiser) Signed
- HB 2862 general appropriations act 2022-2023 (Cobb) Signed \$60M Housing Trust Fund and \$10M homeless Service Grants
- <u>SB 1168 vacation rentals; short-term rentals; enforcement (Mesnard) Signed</u>
- SB 1116 NOW: municipal tax exemption; residential lease (Livingston) Failed
- SB 1581 NOW: housing; grants; homelessness; camping; appropriation (Livingston) Died

- 4600



Local Government Bills

Public Infrastructure

- HB 2858 capital outlay: appropriations: 2022-2023 (Cobb) Signed
 \$1B in public roads and \$20M for State Aviation Fund
- SB 1239 appropriation; widening I-10 (Shope) Signed

Public Safety

- SB 1268 PSPRS; DROP (Livingston) Signed
- HB 2063 PSPRS; CORP; reemployment; time period (Blackman) Signed
- <u>HB 2860 criminal justice; 2022-2023</u> (Cobb) **Signed**Creates the Major Incident Division for independent investigations of critical force incidents, effective 2025
- SB 1515 municipal firefighters; cancer fund; distributions (Boyer) Signed
- HB 2344 military affairs commission; continuation (Payne) Signed



Local Government Bills

Miscellaneous

- HB 2099 municipalities; membership dues; limit (Cobb) Died
- <u>HB 2156 NOW: tax credits; motion picture credits</u> (Cobb) **Enacted without Gov Signature**
- HB 2316 misconduct involving weapons; public places (Kavanagh) Died
- HB 2749 TPT; prime contracting; exemption; alterations (Cobb) Failed
- HB 2482 municipality; general plan; adoption; amendment (Martinez) Signed
- <u>SB 1067 cities; water infrastructure finance authority (Shope)</u> **Signed**
- SB 1133 schools; cities; all mail prohibited (Rogers) Failed
- SB 1166 public employers; union contracts (Leach) Signed
- SB 1198 local governments; lobbying; prohibition (Petersen) Failed





Political Landscape



Reading the Tea Leaves

- Arizona is a political epicenter
- U.S Senate race expected to be the most expensive political contest in Arizona history
- 35% voter turnout in August Primary Election
- 47% legislative races decided in crowded primaries
- 40% legislative turnover at least 36 new legislators
- Expect the narrow GOP legislative majorities to expand
- Election fraud rhetoric continues









U.S. Senate



Blake Masters (R)



Mark Kelly** (D)

	R	D
CD 1	David Schweikert**	Jevin Hodge
CD 2	Eli Crane	Tom O'Halleran**
CD 3	Jeff Zink	Ruben Gallego**
CD 4	Kelly Cooper	Greg Stanton**
CD 5	Andy Biggs**	Javier Ramos
CD 6	Juan Ciscomani	Kirsten Engel
CD 7	Luis Pozzolo	Raúl Grijalva**
CD 8	Debbie Lesko**	
CD 9	Paul Gosar**	





Governor 577









Kari Lake (R)

Katie Hobbs (D)







Mark Finchem (R)



Secretary of State



Adrian Fontes (D)



Abe Hamadeh (R)



Attorney General



Kris Mayes (D)







Kimberly Yee** (R)



State Treasurer



Martín Quezada (D)



Tom Horne (R)



Superintendent of Public Instruction









Legislative District 19



Sen. David Gowan (R)



Rep. Gail Griffin (R)



Rep. Lupe Díaz (R)



Sanda Clark (D)

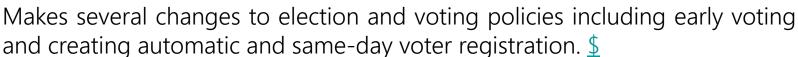




What is on the November Ballot?

Potential Voter Initiatives:

- Predatory Debt Collection Protection Act
 - Limits interest rates for debt from healthcare services and increases the value of certain property and earnings exempt from debt collections processes. \$\frac{1}{2}\$
- Arizonans for Free and Fair Elections



Voter's Right to Know Act

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Requires independent expenditures of more than \$50,000 on a statewide campaign or \$25,000 on a local campaign to disclose the names of all original sources who contributed \$5,000 or more. \$



Legislative-Referred Initiatives

Proposition 128 – <u>Voter Protection Act, Court Determinations (SCR1034)</u>

 Establishes an additional way in which the Legislature may supersede a voter protected act. Authorizes the legislature to amend/repeal some voter-approved ballot measures if the Arizona Supreme Court or U.S. Supreme Court rules they are unconstitutional or invalid. <u>Fiscal Note \$</u>

Proposition 129 – <u>Initiatives Single Subject (HCR2001)</u>

 Requires initiative measures to only cover one subject and matters relating to that single subject. <u>Fiscal Note</u>\$

Proposition 130 – <u>Constitutional Property Tax Exemptions (SCR1011)</u>

 Authorizes the legislature to set certain property tax exemption amounts and qualifications rather than determining details in the constitution. <u>Fiscal Note \$</u>

Proposition 131 – <u>Lieutenant Governor (SCR1024)</u>

 Creates the office of Lieutenant Governor for the term of office that starts in 2027, elected on a joint ticket with the governor and succeeding the governor in case of vacancy. Currently the Secretary of State succeeds the Governor in case of vacancy. Fiscal Note \$





Legislative-Referred Initiatives

Proposition 132 – Initiatives Supermajority Voter Requirement (HCR2015)

 Requires 60% of voters at a statewide election, rather than a majority of voters, to approve an initiative or referendum for taxes. <u>Fiscal Note \$</u>

Proposition 308 – Arizona In-state Tuition (SCR1044)

 Allows in-state tuition for a person without lawful immigration status if specified criteria are met and repeals provisions from Proposition 300 passed in 2006. <u>Fiscal Note \$</u>

Proposition 309 – <u>Voter Identification (SCR1012)</u>

 Increases voter identification requirements for mail-in ballots and removes the twodocument alternative to photo ID for in-person voting. <u>Fiscal Note \$</u>

Proposition 310 – <u>Arizona Fire District Safety Act (SCR1049)</u>

Establishes an additional 0.1% sales tax for 20 years to fund Arizona fire districts.
 Fiscal Note \$



Timeline

October 11

Register to vote.



November 8

General Election





October 12

January 9, 2023

Opening Day







Lourdes Peña, Public Affairs Advisor