

I. Legislative Update

Session Update. Staff and legislators at the Arizona Legislature call this “Crossover Week,” the point at which the House and Senate rush to vote on bills so they can move to committee hearings in the second legislative chamber. Every legislative session, Crossover Week always includes long days of floor debates and votes and a rushed, unpredictable approach to bills. Last-minute amendments can pass before they are even available for review to Capitol observers, and tempers run hot as lawmakers try to process hundreds of votes in just a few days.

The Senate started this hectic week on a bipartisan note, voting to raise the spending cap on school districts and avert a \$1.2 billion cut to school budgets. Despite Republican concerns that delayed a vote on the proposal last week, the Senate obtained 23 votes – three more than the supermajority required. All Senate Democrats and a majority of Senate Republicans supported [the resolution](#); six Republicans voted against it because they want to [shift the discussion](#) about how the legislature funds schools. The measure does not require the Governor’s signature, so the Senate vote provided immediate answers for Arizona schools that have been warily watching for legislative action.

The debate on Arizona’s constitutional cap on school spending [is fierce](#) and far from over, though. School budgets will be in the same situation next year; while leaders in both political parties believe it is time to ask voters to revisit the cap, they disagree about whether it should be [removed entirely](#) or just changed to [reflect current school expenses](#).

There was plenty of debate on other policy issues this week, as well. House members advanced controversial proposals to change [math requirements](#) for high school graduation, make it [harder to pass](#) a citizens’ initiative, increase parents’ ability to push for penalties if they think a teacher [violated their rights](#), penalize businesses that will not work with [firearms companies](#), and ask voters to remove cities’ ability to set a different [minimum wage](#) than the state’s.

The Senate voted to appropriate \$700 million to [build a border wall](#), create a [tax credit for filmmakers](#) and a tax break for [gun purchases](#), make it a crime for an employer not to provide a religious exemption to a [COVID-19 vaccine](#) mandate, ban [government mask mandates](#), and assert that the legislature has [authority over elections](#).

Lawmakers failed to pass bills to allow more individuals to get [concealed weapons permits](#), criminalize the distribution of some medications [used for abortions](#), and override [local labor laws](#). Legislators were able to find bipartisan agreement on some measures - approving bills to create a state [earned income tax credit](#), invest in training programs for [health care professionals](#), improve [the Arizona Trail](#), allow someone who is wrongfully arrested to [clear their record](#), increase stipends for [kinship care](#), and tighten regulation of [massage therapists](#).

Next Week. Policy committees will resume their meetings in the House and Senate next week to consider bills that have already passed the first legislative chamber. There are more than 600 bills still advancing this year – most at a very rapid pace as legislators rush to get their priority legislation to the Governor’s desk.

Budget Update. There is no sign of productive budget talks at the legislature yet this year, but the latest tax revenues gave lawmakers even more to spend. According to [a recent report](#) from the Joint Legislative Budget Committee, the state’s General Fund took in \$1.58 billion during the month of January – 22.2% higher than last January and \$113 million more than state economists expected.

The increases continue to be driven by Arizonans’ spending habits. Sales taxes accounted for \$682.3 million of the tax revenues last month, and this was the eleventh month in a row that sales taxes have grown by double digits compared to last year. Taxes on hotel stays and amusements – like concert and

movie tickets – are 168% higher than 2021. The rebound extends to restaurants and bars, as well. Sales taxes from those facilities rose almost 41% last month and are up 35% compared to last year. And Arizonans are still shopping: Retail sales online and in person climbed 16.1% last month.

Individual income taxes went up, and corporate income taxes are up 52.6% so far this fiscal year, though they dropped slightly this month. When adjusted for tax filing changes during the pandemic, the state's General Fund balance is 19.1% higher than it was last year.

Election Updates. House Speaker [Rusty Bowers](#) (R-Mesa) is running for the Arizona Senate, and [he has thoughts](#) about Arizona politics and the Senate's ballot recount. Senate President Karen Fann (R-Prescott) and Maricopa County [still see things differently](#). So do [Republican officials](#) who supported the recount.

Court Updates. Arizona's Attorney General asked the U.S. Supreme Court to change how the state determines [immigration status](#). The Secretary of State and Attorney General asked a court to settle their disagreements about laws governing the state's site for [online candidate signatures](#).

News Updates. Arizona is mourning the loss of former [Senator David Bradley](#) (D-Tucson). The federal government is directing \$1.7 billion to [tribal water rights settlements](#). Former Governor Bruce Babbitt thinks Arizona should regulate [groundwater in rural Arizona](#). The state is investing \$68.1 million for [broadband infrastructure](#) along I-40.

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

Monday

SB 1048 (emergency powers; business closure; repeal). House Military Affairs & Public Safety (Monday February 28th at 2:00 pm, House RM 1).

Wednesday

HB 2107 (emergency powers; business closure; repeal). Senate Commerce (Wednesday March 2nd at 2:00 pm, Senate RM 1).

SB 1092 (product liability; civil action; limitation). House Judiciary (Wednesday March 2nd at 9:00 am, House RM 4).

SB 1265 (property tax liens; foreclosure; notice). House Ways & Means (Wednesday March 2nd at 9:00 am, House RM 3).

SB 1383 (dissolution of marriage; annulment). House Judiciary (Wednesday March 2nd at 9:00 am, House

RM 4).

IV. Recent Action

H2043:	EMPLOYER LIABILITY; COVID-19 VACCINE REQUIREMENT	2/2 4	retained House	on COW calendar.
H2047:	STUDENT LOAN SERVICES; LICENSURE	1/1 2	referred House	to com , ways -means , educ .
H2048:	STUDENT LOAN SERVICERS; LICENSURE	1/1 2	referred House	to mil-pub safety , jud , nat res-energy-water .
H2104:	COMMUNITY PROPERTY AWARD; CONVICTED SPOUSE	2/1 7	referred Senate	to jud .
H2107:	EMERGENCY POWERS; BUSINESS CLOSURE; REPEAL.	2/2 1	referred Senate	to com .
H2216:	AUTO TITLE LOANS; TITLE; INTEREST	1/1 9	referred House	to com , gov- elect .
H2356:	EMPLOYERS; BUSINESSES; COVID-19 VACCINE RECORD	1/2 0	referred House	to com .
H2389:	RULEMAKING REVIEW; TIME FRAME	2/2 1	referred Senate	to gov .
H2472:	BUSINESSES; FIREARMS; UNLAWFUL ACTS	1/2 4	referred House	to jud .
H2475:	EMPLOYERS; COVID-19 VACCINE MANDATE; PROHIBITION	1/2 4	referred House	to jud .
H2479:	MOTOR VEHICLES; REGISTRATIONS; TITLES; DEALERS	1/2 4	referred House	to trans .
H2480:	VEHICLE SERIAL NUMBERS; REMOVAL; RESTORATION	2/2 1	referred Senate	to trans- tech .
H2599:	ADMINISTRATIVE HEARINGS; GRRC	2/2 4	referred Senate	to com .
H2601:	KRATOM PRODUCTS; DEFINITIONS	2/2 1	referred Senate	to hel-hu ser .
H2656:	CERTAIN AFFILIATIONS; BANKS; PROHIBITION	2/2 4	FAILED House	28- 31 .
H2813:	VEHICLE FINANCE TRANSACTION; CLEAR TITLE	2/9	referred House	to trans .
H2825:	MOBILE HOMES INSPECTIONS; TITLE TRANSFERS	2/1 7	from House	trans do

			pass.
S1048:	EMERGENCY POWERS; BUSINESS CLOSURE; REPEAL	2/2 3	referred to House mil-pub safety .
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	2/2 3	referred to House jud .
S1156:	BLOCKCHAIN TECHNOLOGY; TAX; FEE; PROHIBITION	1/1 2	referred to Senate fin .
S1182:	COMMERCE AUTHORITY; REPORTS; CAREER LANDSCAPE	2/2 4	passed Senate 28-0 ; ready for House.
S1204:	MORTGAGE BROKERS; BANKERS; QUALIFICATIONS	2/2 4	Senate COW approved with amend #4248 and flr amend #4486 .
S1207:	QUALIFIED SPENDTHRIFT TRUSTS	1/1 8	referred to Senate jud .
S1222:	EXEMPT PROPERTY; TAX CREDIT; PROCEEDS	2/2 3	passed Senate 21-7 ; ready for House.
S1236:	CONSUMER LOAN FINANCE CHARGES	2/1	from Senate rules okay .
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	2/2 4	passed Senate 28-0 ; ready for House.
S1265:	PROPERTY TAX LIENS; FORECLOSURE; NOTICE	2/2 3	referred to House ways-means .
S1341:	LEGAL TENDER; SPECIE; BITCOIN	1/2	referred to

		5	Senate fin.
S1375:	RETIREMENT SAVINGS PROGRAM; STATE TREASURER	2/2 2	from Senate rules okay
S1383:	DISSOLUTION OF MARRIAGE; ANNULMENT	2/1 4	passed Senate 28-0 ; ready for House.
S1394:	DIFI; BUSINESS NAME; TRADE NAME	2/2 3	referred to House com.
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	2/1 4	passed Senate 19-9 ; ready for House.
S1493:	PUBLIC EMPLOYEES; SALARIES; VIRTUAL CURRENCY	1/2 7	referred to Senate fin.
S1580:	MONEY TRANSMISSION; MONEY TRANSMITTER LICENSURE	2/2 4	Senate COW approved with amend #4139 and flr amend #4491 .
S1582:	HOMESTEAD EXEMPTIONS; AMOUNT	2/1 7	passed Senate 28-1 ; ready for House.
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 to Senate trans-tech.
SCR1013:	MEDIUM OF EXCHANGE; CURRENCY; USE	1/1 1	referred to Senate fin.
SCR1014:	PROPERTY TAX EXEMPTION; VIRTUAL CURRENCY	1/1 1	referred to Senate fin.
SM1001:	FINANCIAL INSTITUTIONS; BURDENSOME REPORTING REQUIREMENTS	2/9	passed Senate 16-13 ; ready for Secretary of State.