

BAD WEEK at the Legislature, but it's not over...

AFP-Arizona March 23 Legislative Update

(Most of the bills in this 3/23 alert are in Senate or House Rules, so please sign on in RTS by Monday morning, March 26)

1) **BAD NEWS** -- As you have probably read by now, the Legislature voted overwhelmingly yesterday to pass **Senate Bill 1390** (substituted for HB 2158), which will extend the Prop 301 state education sales tax (6/10 of a cent), which was passed by voters in 2000 and which expires in 2021. Ideally, we think they should have voted No. We believe the K-12 system has more than enough money already, and that the main problem is how to shake the money out of admin and capital and into classrooms -- mainly, into the salaries of front-line teachers. As documented by the state Auditor General, Prop 301 manifestly failed to push a greater proportion of our education spending dollars into classrooms and teacher pay.

And rather than passing a straight tax extension, they could have referred it out to the ballot with reforms that force more money into the classroom and give the Legislature flexibility regarding the current autopilot K-12 spending increases during recessions (for those who are familiar with the issue, we wanted to solve the problem whereby activist judges decided that the word "or" meant "and").

SB 1390 is by far the biggest single item on AFP-Arizona's 2018 scorecard. The Legislators who voted No on SB 1390 are looking **VERY GOOD** so far on AFP-Arizona's 2018 Legislative Scorecard: Sen. Judy Burges, Sen. David Farnsworth, Rep. Eddie Farnsworth, Rep. Travis Grantham, Rep. Anthony Kern, Rep. Paul Mosley, Sen. Warren Petersen, Sen. Steve Smith, Rep. Kelly Townsend and Rep. Michelle Ugenti-Rita. (**Everyone else -- including Governor Ducey -- is currently earning the designation of Champion of Big Government, with a percentage score in the teens.**)

But the story is not over yet...

With some heroic efforts, Legislators who voted Yes on SB 1390 will probably do okay in the end on our Scorecard if they also: 1) vote against the transportation taxes (especially the ones that delegate taxing/fee-setting power to the ADOT director and allow for Maricopa County to tax for light rail); 2) vote for an Education Savings Account repeal-and-replace bill that keeps Prop 305 off the ballot (problem: at this point, there is no ESA bill...); and, 3) do very well on the rest of the free-market bills on deck in the session (most of which are listed below).

If you are curious, email me at tjenney@afphq.org and I can send you a spreadsheet with the scoring rubric showing the options.

Some of the action items below are general action pages that anyone can use at any time, and some are Request to Speak (RTS) items for our activists who have RTS accounts through the Legislature's website. (AFP-Arizona now has over 300 "Spartan" activists signed up for RTS, which allows you to weigh in remotely on bills as they go to committees. Reach out to Tom Jenney at tjenney@afphq.org if you want us to sign you up for RTS.)

2) **UNCLEAR NEWS.** The House and Senate have not yet released their General Fund budgets for Fiscal Year 2018-19. Governor Doug Ducey's FY19 executive budget of \$10.143 billion -- assuming no supplemental additions to FY18 -- is less than the estimated increase in population-plus-inflation (which would place the budget at \$10.18 billion). By its tradition, AFP-Arizona will award 300 bonus points on its 2018 Legislative Scorecard for a General Fund budget -- including FY 2018 supplemental increases -- that comes in under \$10.18 billion.

3) **PROMISING NEWS, we hope...** House Speaker **J.D. Mesnard** (Chandler) is looking at introducing a reform that would reduce Arizona's income tax rates so that state revenues are not increased when

Arizona automatically conforms its tax code to the federal code. You can take action now by going to www.aztaxreform.com
<http://www.aztaxreform.com>

4) **GOOD NEWS.** The House and Senate have passed House Bill 2005, which would potentially blunt the impact of a November ballot proposition foisted on Arizona by California billionaire and solar investor Tom Steyer, who wants to force Arizonans by 2030 to get half of their energy from expensive renewable sources (unless you're lucky enough to live in the SRP zone, because SRP -- which is not a regulated utility -- would not be subject to the mandates.)

5) **PROBABLY BAD NEWS.** **House Bill 2011** is a common-sense bill from Rep. **Michelle Ugenti** and the **Goldwater Institute** that would allow persons to offer blow-drying services without having to obtain a cosmetology license. In Arizona right now, blow-drying someone's hair without a cosmetology or barbering license is a CRIME punishable by up to six months in jail and a \$2,000 fine -- and earning a license can cost up to \$18,000 and require a minimum of 1,000 hours of training. Unfortunately, HB 2011 has not yet gotten a floor vote -- usually a bad sign this late in the game. Here is an easy-to-use action page to send emails to the Legislators in your district at any time on the blow-dry bill:

<https://americansforprosperity.ivolunteers.com/ContactOfficials/Tell-Arizona-Legislators-to-Legalize-Blow-Drying>

6) **UNCLEAR NEWS.** **House Bill 2062**, the Goldwater Institute's "Permit Freedom Act" (Sponsor: Rep. **T.J. Shope**, Pinal County) passed the House unanimously and passed the Senate Public Safety Committee. But it has not yet been scheduled for Senate Rules. Among other things, the bill would require government agencies that issue permits and occupational licenses to use proper rules of procedure and evidence, rather than holding the kind of "kangaroo courts" that have become notorious in American administrative law.

7) **MIXED NEWS.** The House version of **Truth in Spending** (HB 2099) has now passed the House and gotten through the Senate Appropriations and Finance Committees. The biggest obstacle in the Senate is Senate President Steve Yarbrough of Chandler/LD17. Steve has often been a champion of fiscal conservatism (indeed, he has voted for tougher versions of Truth in Spending in the past), but he is now reportedly concerned that Truth in Spending would "shame" the Legislature. Our answer is that the Legislature needs more budget transparency and accountability. We are FOR HB 2099. (The Senate version, SB 1051, has been kept from getting a floor vote by President Yarbrough.) **PLEASE SEND STEVE AN EMAIL AT SYARBROUGH@AZLEG.GOV**

To learn more about Truth in Spending, and to keep up pressure to pass the reform, go here:

[TRUTH IN SPENDING ACTION PAGE](https://americansforprosperity.ivolunteers.com/ContactOfficials/Tell-Arizona-Lawmakers-to-Support-Budget-Transparency)

<https://americansforprosperity.ivolunteers.com/ContactOfficials/Tell-Arizona-Lawmakers-to-Support-Budget-Transparency>

8) **BAD NEWS.** **House Bill 2119** (Sponsor: Rep. **Anthony Kern**, NW Valley) has been held by House Rules chairman Rep. T.J. Shope (Pinal County). HB 2119 would have made State Bar dues voluntary (instead of compulsory) for Arizona lawyers. Compulsory bar membership and dues payment has no place in a Right to Work state. We were FOR HB 2119.

9) **GOOD NEWS.** **House Bill 2126** (Sponsor: Rep. **Vince Leach**, Oro Valley) passed the House 58-0 and has now passed the Senate Finance Committee and Senate Rules. Next stop: Senate Floor. HB 2126 would make it harder for cities to use slum and blight designations as excuses to hand out crony corporate-welfare exemptions from property taxes. We are FOR 2126.

10) **GOOD NEWS.** [House Bill 2153](#), sponsored by Rep. **Vince Leach** (Oro Valley), passed the House 33-25 and has passed the Senate

Judiciary Committee. Next stop: Senate Rules on Monday, March 26 at 1:00 pm. HB 2153 would protect the free speech and privacy of citizens, by keeping their personal donation information out of invasive government databases, and out of the hands of left-wing activists. We are FOR 2153.

11) **BAD NEWS. HB 2162** has been subject to a striker amendment for a **transportation tax hike**, and passed in the Senate Transportation and Technology Committee. Next stop: Senate Rules. HB 2162 would allow counties to increase transportation taxes, and would allow Maricopa County to waste more money on light rail. If cities want to waste money on light rail, they should raise their own taxes. We are AGAINST HB 2162.

In general, this has been a bad legislative session with regard to transportation tax hikes. House Bill 2166 (Sponsor: Rep. Noel Campbell, Prescott) is a transportation tax bill that delegates unlimited taxing power to an unelected bureaucrat, in violation of the letter and spirit of Prop 108; unfortunately, HB 2166 passed the House 35-24 this week and is now heading to the Senate. Meanwhile, the Senate version of HB 2166 (SB 1146 -- Sen. Bob Worsley) appears to be close to passing in the Senate. Because of the Prop 108 violations, AFP-Arizona considers **House Bill 2166** and **Senate Bill 1146** to be **among the worst bills of the session** so far, and our Scorecard will slam legislators who vote yes for them. Right now, they are being held, but we must be vigilant to make sure they don't move. We are AGAINST 2162, 2165, 2166, 1146 and 1147.

Please go to this action page to tell your Legislators to vote against gas tax hikes and transportation tax increases:

[FIGHT TRANSPORTATION TAX HIKES](#)

For more information about why Arizona does not need gas tax hikes or other transportation tax increases, go [HERE](#).

12) **GOOD NEWS. House Bill 2235** is a striker bill (previously, "municipal improvement") that passed the Senate Government Committee on March 21. Next step: Senate Rules. HB 2235 is a replacement for Senate Bill 1377 (Sponsor: Sen. **Nancy Barto**, NE Phoenix) that passed the Senate but was narrowly killed in the House Health Committee by Reps. Butler, Carter, Cobb, Syms and Udall. (Thanks to Reps. Lawrence, Navarrete, Powers-Hannley and Rivero for voting Yes.) By allowing for the creation of a new profession, dental therapy, the bill would increase occupational freedom and help low-income and rural residents obtain greater access to affordable dental care. We are FOR HB 2235.

13) **GOOD NEWS. House Bill 2238** (Sponsor: Rep. **Eddie Farnsworth**, Gilbert) would require courts in regulatory cases to actually decide questions of law (!) and not defer automatically to the decisions of administrative agencies. HB 2238 passed the House on Feb 14 and has passed Senate Judiciary and Rules. We are FOR 2238. Next stop: Senate Floor (we hope!)

14) **UNCLEAR NEWS. House Bill 2280**, sponsored by Rep. **Vince Leach** (Oro Valley), would prevent government universities from engaging in corporate-welfare lease-back schemes that grant tax-free status to university-favored businesses. HB 2280 passed House Rules Feb 19, but has not gotten a floor vote yet. We are FOR 2280.

15) **BAD NEWS -- [House Bill 2324](#)** (Sponsor: Rep. Heather Carter, NE Phoenix) passed the House and has also passed the Senate Commerce and Public Safety Committee. Next step: Senate Rules. We are concerned that the current language could be easily tweaked in the future to create a mandatory licensing scheme for community health workers. And we oppose it because it creates a fee structure and an enforcement structure and a Council, all of which will take up the time (i.e., money) and attention of bureaucrats. We believe that community health workers should set up a truly private certification organization. We are AGAINST 2324.

16) **GOOD NEWS. House Bill 2333**, sponsored by Rep. **Jeff Weninger**, and quarterbacked by our friends at the **AZ Free Enterprise Club**, would block cities from imposing unreasonable regulations (including permits and licensing) on home-based businesses. HB 2333 passed the House 36-20 and passed the Senate Commerce and Public Safety Committee. We are FOR 2333. Next stop: Senate Rules.

17) **BAD NEWS. House Bill 2341** (Sponsor: Rep. **Rusty Bowers**, Mesa) — This bill is dead, having been held in the House Education Committee. The bill would have allowed homeschool children to ride school district buses to commute to technical education schools — increasing school choice and making fuller use of school district resources. We were FOR 2341. Learn more by checking out the Channel 3 news story about this issue:

<http://www.azfamily.com/clip/14058027/video-should-home-schooled-kids-be-able-to-ride-the-bus>

18) **GOOD NEWS. House Bill 2348** (Sponsor: Rep. Karen Engel, Tucson) would have required Arizona to adopt California's burdensome emissions standards. We were tracking this dangerous bill and are grateful to House Energy chairman Rep. Rusty Bowers for not allowing the bill to move forward. We were AGAINST 2348. Of course, there were hundreds of bad bills introduced by members of the minority, on nearly every conceivable issue.

19) **GOOD NEWS. House Bill 2357**, sponsored by Rep. **David Livingston**, is a pension reform that would make the Elected Officials' Retirement Plan (EORP) more actuarially sound -- i.e., less bankrupt. HB 2357 passed the House 45-15 and now goes to the Senate Finance Committee. We are FOR 2357.

20) **GOOD NEWS. House Bill 2371** (Sponsor: Rep. **Kevin Payne**, NW Valley) passed the House 45-11 and passed the Senate Commerce, Senate Finance and Senate Rules Committees. Next stop: Senate Floor.

HB 2371 would limit the number of restrictions cities and counties can put on mobile food vendors. We are FOR 2371.

21) **GOOD NEWS. House Bill 2399** (Sponsor: Rep. **Paul Mosley**, Mohave County) passed the House 40-17 on Feb 15 and passed the Senate Commerce Committee March 6. Next stop: Senate Rules on Monday, March 26 at 1:00 pm. HB 2399 would allow applicants for licenses for real estate salespersons or brokers to do their training online, though they would still have to complete their final examinations in person. We are FOR 2399.

22) **VERY GOOD NEWS! House Bill 2434** (Sponsor: Rep. **Jeff Weninger**, Chandler) passed the House 34-22 and passed the Senate 17-12 and was signed by Governor Doug Ducey! HB 2434 will allow for financial service firms to do "sandbox" testing of new products without a license. We were FOR HB 2434.

23) **BAD NEWS -- [House Bill 2456](#)** (Sponsor: Rep. Mark Finchem, Oro Valley) passed the House and also the Senate Commerce and Public Safety Committee. Next stop: Senate Rules on Monday, March 26 at 1:00 pm. HB 2456 would extend the horizon for ending the Rio Nuevo tax increment financing (TIF) district in Tucson. We are against TIF districts and AGAINST 2456.

24) **VERY GOOD NEWS! House Bill 2460** (Sponsor: Rep. **Vince Leach**, Oro Valley) passed the House 34-23 and passed the Senate 17-12 and now goes to Governor Ducey's desk (and we believe he will sign it). The bill will prevent school districts from discriminating against charter and private schools when selling vacant buildings and used equipment. [HERE](#) is a link to a good piece by the new Goldwater Institute education policy guru, **Matt Simon**, about why 2460 is a good reform. We were FOR 2460.

25) **VERY GOOD NEWS! House Bill 2461** (Sponsor: Rep. **Vince Leach**, Oro Valley) passed the House 34-23, then passed the Senate 17-

12, and then finally passed the House again 33-25. It now goes to the Governor's desk (and we believe he will sign it). HB 2461 will prevent cities and counties from discriminating against private schools in land-use policy. We were FOR 2461.

26) **GOOD NEWS. House Bill 2479** (Sponsor: Rep. **Michelle Ugenti-Rita**, Scottsdale/FH) passed the House 39-19 on February 28 and now goes to the Senate. The bill would define what kinds of software and online services are subject to taxation and which are not. By one estimate, cities are currently bringing in tax revenue of \$180 million on services they should not be taxing -- this bill would fix that. (It also has a Senate version, SB 1392, which has not yet been heard on the Senate floor.)

27) **UNCLEAR NEWS House Bill 2490** (Sponsor: Rep. **Tony Rivero**, Peoria) would allow parties engaged in electronic commerce to waive licensure, certification and registration. It narrowly passed the House 31-27 and was held by the Senate Commerce and Public Safety Committee on March 19. We are FOR 2490.

28) **GOOD NEWS -- House Bill 2528** (Sponsor: House Speaker **J.D. Mesnard**, Chandler) is a pro-growth bill to reduce capital gains taxes. It passed the House 35-25 and passed the Senate Finance Committee on March 21. Next stop: Senate Rules. We are FOR 2528.

29) **GOOD NEWS. [House Bill 2532](#)** (Sponsor: Rep. **Kevin Payne**, NW Valley) passed the House 34-22 and passed the Senate Commerce and Public Safety Committee on March 19. Next stop: Senate Rules on Monday, March 26 at 1:00 pm. The reform would make it more difficult for cities and counties to imposing occupational fees or licenses on entrepreneurs. We are FOR 2532.

30) **GOOD NEWS. House Bill 2563** (Sponsor: Rep. **Paul Boyer**, NW Valley) passed the House 34-22 and has passed Senate Education and Senate Rules. Next stop: Senate Floor. HB 2563 is the Goldwater

Institute's Campus Free Speech bill and would protect freedom of expression and the free exchange of ideas on the campuses of Arizona's universities and community colleges. We are FOR HB 2563.

31) **GOOD NEWS. House Bill 2590** (Sponsor: Rep. David Cook, Pinal County) was a bad bill that appears to have been held in House Appropriations (thanks to Approps Chair **Vince Leach!**). It would have created a corporate-welfare tax credit scheme for companies expanding business investing in rural areas. We were AGAINST HB 2590.

32) **GOOD NEWS. [House Bill 2604](#)** (Sponsor: House Speaker **J.D. Mesnard**, Chandler) passed the House 34-22 and passed the Senate Government Committee March 21. Next stop: Senate Rules on Monday, March 26 at 1:00 pm. HB 2604 would help to ensure that cities hold elections in even-numbered years on days when voter turnout is high. Currently, cities often bury elections on dates when turnout is low, favoring policy outcomes promoted by crony contractors and government employee unions. We are FOR 2604.

33) **GOOD NEWS. [House Concurrent Resolution 2007](#)** (Sponsor: Rep. **Doug Coleman**, Apache Junction) passed the House 34-25 and passed the Senate Judiciary Committee March 22. Next stop: Senate Rules on Monday, March 26 at 1:00 pm. This reform, nicknamed "No Taxpayer Money for Political Parties," would allow voters in 2018 to vote to prevent the so-called Clean Elections Commission from allowing taxpayer-supported candidates to funnel monies to political parties. We are FOR HCR 2007.

34) **GOOD NEWS -- House Concurrent Resolution 2028** (Sponsor: House Speaker **J.D. Mesnard**, Chandler) passed the House 35-25 on February 21 and passed the Senate Commerce and Public Safety Committee March 13. Next stop: Senate Rules. HCR 2028 would allow voters to fix the employer retaliation presumption -- one of the many problems created by the Prop 206 minimum wage/sick leave measure passed by voters in 2016. We are FOR HCR 2028.

35) **GOOD NEWS.** [House Concurrent Resolution 2029](#) (Sponsor: House Speaker **J.D. Mesnard**, Chandler) passed the House 35-25 on Feb 21 and passed the Senate Finance Committee March 21. Next stop: Senate Rules on Monday, March 26 at 1:00 pm. HCR 2029 would allow voters to raise the exemption on one of AZ's most destructive taxes: the property tax on business plant and equipment. We are FOR HCR 2029.

36) **BAD NEWS -- Senate Bill 1065** (Sponsor: Sen. Kate Brophy McGee) passed the Senate 20-10 and passed the House Transportation and Infrastructure Committee on Weds, March 21. Next stop: Senate Rules. The SB 1065 axle fee expansion itself is not a terrible idea, especially since the revenues will be dedicated to a specific infrastructure project, but the move to delegate an increase in taxing power to an unelected bureaucrat violates the spirit of Prop 108, which is Arizona's most important taxpayer protection. The bill got 2/3rds in the Senate. The House should add a Prop 108 clause, and pass it honestly with a two-thirds majority. We are AGAINST 1065.

37) **MIXED NEWS.** A bill authorizing more excise tax authority for county governments (**Senate Bill 1147**) passed the Senate 24-6 and has passed the House Transportation Committee. In the House Ways and Means Committee, the bill was amended to block the use of money for light rail -- which is a **gigantic improvement**. We are still advising members to vote against 1147, but if light rail is excluded, the scorecard impact of the vote will be greatly mitigated.

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For more information about why Arizona does not need gas tax hikes or other transportation tax increases, go [HERE](#).

38) **GOOD NEWS.** **Senate Bill 1247**, sponsored by Sen. **Nancy**

Barto (NE Phoenix), would prohibit counties and municipalities from requiring employers to provide health insurance to employees. (In other words, prevents local governments from enacting ObamaCare-style employer mandates.) SB 1247 passed the Senate 17-13 and passed the House Local and International Affairs Committee. Next stop: House Rules. We are FOR SB 1247.

39) **GOOD NEWS.** [Senate Bill 1273](#) (Sponsor: Sen. **Warren Petersen**, Gilbert) passed the Senate 19-11 and passed the House Military, Veterans and Regulatory Affairs Committee on March 19. Next stop: House Rules on Monday, March 26 at 1:00 pm. SB 1273 would push the Governor's Regulatory Review Council to strike down useless regulations. We are FOR 1273.

40) **PROBABLY BAD NEWS.** **Senate Bill 1378**, AFP-Arizona's Education Spending Transparency bill (Sponsor: Sen. **Sylvia Allen**, Northeast Counties), passed the Senate Appropriations and Rules Committees in February. SB 1378 is a common-sense measure: when asking taxpayers for more money for budget overrides and bonds, school districts should have to tell voters how much they already spend per pupil per year. But the education spending lobby is very afraid to let taxpayers know how much they already spend per child -- and many legislators are afraid to stand up to the spending lobby. This bill is going to be tough to pass. Assuming it gets to the Senate floor, we will really need the votes of Senators Frank Pratt and Bob Worsley, who both voted against this reform last year. Senator Kate Brophy-McGee appears to be a lost cause. (And on the House side, Education chairman Rep. Paul Boyer refused to allow the House version, HB 2171, to be heard.) We are FOR 1378.

41) **GOOD NEWS.** **Senate Bill 1399** (Sponsor: Sen. **Steve Smith**, Pinal County) passed the Senate and passed House Committees and may be scheduled soon for a House floor vote. SB 1399 would allow barbers and hairstylists to do apprenticeships, instead of being licensed through cosmetology schools. We are FOR SB 1399.

42) **BAD NEWS. Senate Bill 1404** (Sponsor: Sen. **Steve Smith**, Pinal County) failed on the Senate floor 12-17. This reform would have limited the kinds of occupational fees and license imposed by cities and counties. We were FOR 1404.

43) **BAD NEWS. Senate Bill 1453** (Sponsor: Sen. **Warren Petersen**, Gilbert) was an AFP-ALEC bill that would have entered Arizona into an interstate compact against taxpayer financing of professional sports stadiums. The House version (HB 2370, introduced by Rep. **Paul Mosley**) never got a hearing in Rep. Bob Thorpe's Federalism, Property Rights and Public Policy Committee, and SB 1453's initial hearing on the bill in Sen. Steve Smith's Commerce Committee was sidelined into a discussion. We were FOR SB 1453 and HB 2370.

44) **GOOD NEWS. Senate Bill 1467** (Sponsor: Senate President **Steve Yarbrough**) is a school choice bill that would provide for a modest expansion of eligibility for students to receive scholarships from school tuition organizations (STOs). SB 1467 narrowly passed the Senate 16-14, and passed the House Ways and Means Committee. Next stop: House Rules. We are FOR 1467.

45) **PROBABLY BAD NEWS. Senate Concurrent Resolution 1016** (Sponsor: Sen. **Sylvia Allen**, Northeastern Counties) passed the Senate Commerce Committee on Feb 13, but it has not gotten a floor vote yet. SCR 1016 would allow voters in 2018 to repeal the destructive \$12-per-hour [minimum wage](#) legislation foisted on AZ by union activists in 2016. Here is a good article from the Goldwater Institute about the negative effects of the 2016 minimum wage legislation:

46) **PROBABLY BAD NEWS. Senate Concurrent Resolution 1037** (Sponsor: Sen. **Steve Smith**, Pinal County) passed the Senate Commerce Committee on Feb 13, but it has not been heard in Rules yet. This referendum would allow voters to limit state occupational licensing regulations to those necessary for public health and safety.

Criminal Justice Reform

For information about bills related to **criminal justice reform**, contact **Chalon Hutson** with Generation Opportunity AZ at chutson@afphq.org

One of GenOpp's key bills on criminal justice reform is to block a new, higher set of mandatory minimum sentences for drug crimes. [HERE](#) is an action link on that issue.