

AFP-Arizona April 12 Legislative Update

1) **PROGRESS REPORTS** -- Last week, AFP-Arizona sent progress reports to all ninety Arizona Legislators, giving them estimates of what their scores would likely be on AFP-AZ's 2018 Legislative Scorecard if the session were to end right now. With a few exceptions, the scores are not good. **Most fall into the categories of Friend of Big Government or Champion of Big Government.**

To see a generic progress report, go [HERE](#).

Why do they score so low? First, most Legislators voted for Senate Bill 1390 (the extension of the Prop 301 state education sales tax -- more about that at Item #41 below). Second, AFP-Arizona grades on missed opportunities, and there are many key bills for our coalition that still need to get floor votes -- if not, everyone in the chamber loses points on the Scorecard. The progress reports show the worst-case scenario, and they are a big warning to Legislators to make sure they don't just pass a budget (especially a bad budget) and head home to start campaigning for re-election.

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 \$10.179 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 \$10.179 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) **VICTORY! House Bill 2005** was signed by Governor Doug Ducey on March 23. The legislation is designed to blunt the impact of an impending 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. The statute, if not overruled by judges, would impose very light civil penalties on utilities that do not comply with the Steyer mandates. (*Technically, those Arizonans living in the SRP zone would not be subject to the mandates, because SRP is not a regulated utility. But by shutting down the Palo Verde nuclear plant prematurely, the Steyer mandates would cause some of the higher costs and brown-out risks would be spread across the entire state grid. To cope with the problem of intermittent power from solar and wind, Arizona would have to become heavily dependent upon power from natural gas -- in which Steyer is also heavily invested.)

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 on March 13. 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 A POLITE 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) **VERY GOOD NEWS.** **House Bill 2126** (Sponsor: Rep. **Vince Leach**, Oro Valley) passed the House 58-0 on Feb 28 and passed the Senate 28-0 on April 5. The House concurred 57-0 on the Senate

amendments on April 11 and the bill now goes to Governor Ducey, who is expected to sign it. 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) **VICTORY! House Bill 2153**, sponsored by Rep. **Vince Leach** (Oro Valley), passed the House 33-25 and passed the Senate 17-13 on party-line votes, and was signed by Governor **Doug Ducey**. 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 were 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 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) **UNCLEAR NEWS. House Bill 2235** is a dental therapy striker bill (previously, "municipal improvement") that passed the Senate Government Committee on March 21. Next step: Senate Rules (we hope). 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) **VICTORY! House Bill 2238** (Sponsor: Rep. **Eddie Farnsworth**, Gilbert) will 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 passed the Senate on April 5, and has been signed by Governor Ducey. We were FOR 2238.

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) **GOOD NEWS -- House Bill 2324** (Sponsor: Rep. Heather Carter, NE Phoenix) passed the House on Feb 21 and passed Senate COW on April 2. We were concerned that the original language could be easily tweaked in the future to create a mandatory licensing scheme for

community health workers. And we opposed it because it created a fee structure and an enforcement structure and a Council, all of which would take up the time (i.e., money) and attention of bureaucrats. But the supporters of the bill added several changes to the bill to remove most of the problems. (That said, we still believe that community health workers should set up a truly private certification organization.) We are now NEUTRAL on 2324.

16) **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>

17) **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.

18) **UNCLEAR 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 on Feb 21 and now goes to the Senate Finance Committee, where it has been waiting for a long time... We are FOR 2357.

19) **GOOD NEWS. House Bill 2371** (Sponsor: Rep. **Kevin Payne**, NW Valley) passed the House 45-11 on Feb 22 and passed the Senate

21-7 on April 5. It now goes back to the House for action on the Senate amendments. HB 2371 would limit the number of restrictions cities and counties can put on mobile food vendors. We are FOR 2371.

20) **GOOD NEWS. House Bill 2399** (Sponsor: Rep. **Paul Mosley**, Mohave County) passed the House 40-17 on Feb 15, and passed the Senate 30-0 on April 11. Now it goes back to the House for action on Senate amendments. 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.

21) **VICTORY! 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.

22) **BAD NEWS -- House Bill 2456** (Sponsor: Rep. Mark Finchem, Oro Valley) passed the House 38-17 and passed the Senate 21-9 on March 29. It is now headed to Governor Ducey's desk. We hope he'll veto it. 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.

23) **VICTORY! House Bill 2460** (Sponsor: Rep. **Vince Leach**, Oro Valley) passed the House 34-23 and passed the Senate 17-12 and now has been signed by Governor Doug Ducey! 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.

24) **VICTORY! 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. And it was signed by Governor Doug Ducey! HB 2461 will prevent cities and counties from discriminating against private schools in land-use policy. We were FOR 2461.

25) **UNCLEAR 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 passed Rules on Feb 19 but has not yet been heard on the Senate floor.) One general issue with tax cut bills is that they are often held until the budget picture becomes clearer. But sometimes, they are just held forever...

26) **PROBABLY BAD 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 but was held by the Senate Commerce and Public Safety Committee on March 19. We are FOR 2490.

27) **PROBABLY 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. One general issue with tax cut bills is that they are often held until the budget picture becomes clearer. Sometimes they are just held forever, but given that this is the Speaker's bill, we are more optimistic. We are FOR 2528.

28) **GOOD NEWS. House Bill 2532** (Sponsor: Rep. **Kevin Payne**, NW Valley) passed the House 34-22 and passed the Senate 18-10 on April 9. It now goes back to the House for action on Senate amendments. The reform would make it more difficult for cities and counties to imposing occupational fees or licenses on entrepreneurs. We

are FOR 2532.

29) **GOOD NEWS. House Bill 2563** (Sponsor: Rep. **Paul Boyer**, NW Valley) passed the House 34-22 on Feb 22 and passed the Senate 17-13 on March 26. Next stop: conference committee tries to get agreement about the Senate amendments. 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.

30) **GOOD NEWS. House Bill 2590** (Sponsor: Rep. David Cook, Pinal County) was a bad bill that was held in House Appropriations on Feb 19 (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.

31) **GOOD NEWS. House Bill 2604** (Sponsor: House Speaker **J.D. Mesnard**, Chandler) passed the House 34-22 and passed the Senate 17-11 on April 9. It is now in conference to reconcile House-Senate differences. 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.

32) **GOOD NEWS. House Concurrent Resolution 2007** (Sponsor: Rep. **Doug Coleman**, Apache Junction) passed the House 34-25 and passed the Senate Rules Committee on March 27. Next stop: Senate floor. 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.

33) **PROBABLY 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.

34) **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 Rules Committee March 27. Next stop: Senate floor! 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.

35) **GOOD NEWS -- Senate Bill 1065** (Sponsor: Sen. Kate Brophy McGee) passed the Senate 20-10 and passed the House 56-0 on April 9. Now it goes back to the Senate for action on House amendments. The original bill (which we strongly opposed) has been amended so as to be harmless. [The SB 1065 axle fee expansion in the original bill was itself not a terrible idea, especially since the revenues would have been dedicated to a specific infrastructure project (that got very close to being a user fee), but the move to delegate an increase in taxing power to an unelected bureaucrat violated the spirit of Prop 108, which is Arizona's most important taxpayer protection. The original bill got 2/3rds in the Senate, so we argued that the House could add a Prop 108 clause, and pass it honestly with a two-thirds majority.] We are now NEUTRAL on 1065.

36) **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 on March 22, 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.

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](#).

37) **VICTORY! 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 32-24 on April 3, and was signed by Governor Ducey! We were FOR SB 1247.

38) **UNCLEAR NEWS. Senate Bill 1273** (Sponsor: Sen. **Warren Petersen**, Gilbert) passed the Senate 19-11 and failed to pass (27-32) on the House floor on April 4. Next stop: a reconsideration vote by April 20. SB 1273 would push the Governor's Regulatory Review Council to strike down useless regulations. We are FOR 1273.

39) **BAD NEWS. Senate Bill 1378**, AFP-Arizona's Education Spending Transparency bill (Sponsor: Sen. **Sylvia Allen**, Northeast Counties), failed on the Senate floor 14-16 on March 29. The Republicans voting against the bill were Senators Kate Brophy-McGee, Frank Pratt and Bob Worsley. SB 1378 was a common-sense measure: when asking taxpayers for more money for budget overrides and bonds, school districts would 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. (On the House side, Education chairman Rep. Paul Boyer did not schedule the House version, HB 2171, for a hearing.) We were FOR 1378.

40) **UNCLEAR NEWS. Senate Bill 1387 (strike-all amendment)** is a replacement for HB 2333, which passed the House 36-20 but unfortunately was held by Sen. Sonny Borrelli in Senate Government Committee. The striker was created in the House Appropriations Committee on March 28, and has been approved by House Rules. Next stop: House floor (we hope -- it was retained on the House COW calendar on April 4...). This bill, 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. And [HERE](#) is a blog post by the Goldwater Institute's **Christina Sandefur**, explaining why home-based businesses need protection. We are FOR 1387.

41) **BAD NEWS** -- As you have probably read by now, the Legislature voted overwhelmingly to pass **Senate Bill 1390** (substituted for HB 2158), which will extend the Prop 301 state education sales tax (6/10 of a cent) passed by voters in 2000 and set to expire 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 down in the Friend/Champion of Big Government categories.) But the session is far from over yet...

42) **UNCLEAR NEWS. Senate Bill 1399** (Sponsor: Sen. **Steve Smith**, Pinal County) passed the Senate 21-8 on Feb 14 and passed House Committees. Unfortunately, it was retained on the April 9 House COW calendar. SB 1399 would allow barbers and hairstylists to do apprenticeships, instead of being licensed through cosmetology schools. We are FOR SB 1399.

43) **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.

44) **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.

45) **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 education savings accounts. SB 1467 narrowly passed the Senate 16-14 on Feb 28, and passed the House Rules Committee on March 20. Given that it's the Senate President's bill, it should probably be a good bet for passage. We are FOR 1467.

46) **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:

47) **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