

2023 Arizona Legislative Summary

by Marcus Osborn and Daniel Romm

The 56th Arizona State Legislature, 1st Regular Session, adjourned at 5:16 p.m. MST on Monday, July 31, 2023 after 204 days. During the course of the legislative session, there were 1,675 bills introduced and 348 of those bills were sent to Governor Katie Hobbs for consideration. She signed 205 of the bills into law and vetoed 143.

Another One for the Records

At 204 days, the 2023 session was the longest legislative session in state history. Arizona does not have a set time frame for its legislative sessions; however, they typically conclude sometime between April and the end of June, once the budget is completed.

The previous record for the longest session was in 1988. It lasted 173 days, mostly due to lawmakers fighting over the impeachment of then Governor Evan Mecham (R).

Hobbs Breaks Veto Record

Back in early April, on the 100th day, Governor Katie Hobbs (D) broke the record for the most vetoes by an Arizona governor in a single legislative session.

Former Governor Janet Napolitano (D) previously held the record for the most vetoes for the 58 bills she nixed in 2005. She currently still holds the record for most vetoes in total by an Arizona governor, notching 181 over her six-plus legislative sessions (2003-2009); however, many predict that Hobbs will break that record next session. Hobbs vetoed 143 bills in her first session as governor.

Napolitano and Hobbs, both Democrats, faced Republican-controlled legislatures. Perhaps it's fitting that prior to taking office, Napolitano gifted Hobbs her veto stamp.

Liz Harris Expulsion

On April 12 the Arizona House of Representatives voted, 46-13, to expel Liz Harris for violating House rules. Harris is only the fifth member in Arizona history ever to be expelled.

Earlier in the session, Harris had invited Jacqueline Breger, a Scottsdale insurance agent, to testify at a special election integrity hearing. At the hearing, Breger alleged that numerous people, including the Arizona House speaker, the governor, other elected officials, the Mormon Church and judges were all part of schemes involving money laundering, drug trafficking, public corruption, bribery of public officials and election fraud.

A report released by the House Ethics Committee found that Harris had lied to the Committee regarding whether she had prior knowledge of what Breger was going to present at the hearing.

On May 5, in accordance with state law, the Maricopa County Board of Supervisors selected her replacement, Julie Willoughby (R-Chandler). Willoughby, an ER nurse, had lost to Harris in the general election by only 275 votes. She will serve out the remainder of Harris' term.

Bible Gate

On June 13 the Arizona House voted 30-28 to censure Tucson Democrat Representative Stephanie Stahl Hamilton for disorderly behavior, following her actions of hiding Capitol Bibles.

Security camera footage from the House legislative lounge showed Representative Stahl Hamilton hiding Bibles that would later be found in various locations, including under couch cushions and in the refrigerator.

Representative Stahl Hamilton, an ordained minister in the Presbyterian Church, said her actions came in response to concerns about the separation of church and state and she had hoped to start a conversation about the subject. She later apologized on the floor for what she called a "prank."

Initially, Arizona House Republicans first tried, but failed, to expel her. They then opted for a censure.

Election Bills

Continuing to cite concerns over the handling of the 2020 and 2022 elections, a number of legislative Republicans introduced over 100 bills that would look to reform Arizona's election system. Keeping to her campaign promise, Governor Hobbs rejected all bills that she believed attempted to restrict voting access and/or make unnecessary modifications to Arizona's current voting system.

Out of the 100-plus election reform bills, the only one that the governor did sign into law was the bipartisan SB 1273 Early Ballot Delivery; Instruction Requirements (Bennett). The bill requires counties to include, in the official instructions for voters on election day and the printed instructions to early voters, a specified statement concerning the unlawful handling and return of ballots.

Hobbs' Director Nominations

Back in February, Republican leadership created the Senate Committee on Director Nominations with the purpose of evaluating Hobbs' nominees for department director positions; however, the Committee did not vet the vast majority of the governor's nominees during the first several months of the session and overall, only five of the governor's nominees won full Senate confirmation.

The Committee was supposed to meet over the early part of the summer to hear the remaining agency director nominations; however, Senate leadership cancelled those meetings in response to two Executive Orders issued by Governor Hobbs related to prosecutions of abortion-related cases, gender affirming healthcare and conversion therapy.

Eventually, the Legislature adjourned without getting to the long list of nominees, a to-do list that leaves most agency directors in limbo for the foreseeable future.

Senate President Warren Petersen (R-Queen Creek) has mentioned the possibility of a special session to confirm the remaining nominees; however, he said that some could wait to be confirmed next year when the Legislature returns to work. Executive nominees can serve for up to a full year without Senate confirmation.

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Proposition 400 Continuation (Take 2)

Proposition 400, a Maricopa County half-cent sales tax that was first approved by voters in 1985 and extended in 2004, is set to expire in 2025. The majority of transportation projects across Maricopa County, including highway loops 101, 202 and 303, arterials and transit services have all been largely funded in part with Proposition 400 tax money.

In 1999, Republican lawmakers passed a law requiring Maricopa County to receive legislative permission to put any extension of the tax on the ballot. While a bipartisan coalition of lawmakers backed an effort to do just that last session, the proposal was surprisingly vetoed by Governor Doug Ducey, citing rising inflation among other concerns; however, some speculate the real reason for the veto was a trade for the necessary votes to expand the Empowerment Scholarship Accounts school choice voucher program.

Since last year's veto, Maricopa County and the County's numerous municipalities have been working to find support for an extension of the tax, but efforts to move forward any meaningful legislation to continue Proposition 400 were met with significant resistance, especially with regard to transit funding.

Multiple versions of the extension were introduced throughout the legislative session, but none resulted in consensus among Republican leaders and the governor until the final day of the session.

After several months of negotiations, a bipartisan agreement was finally reached to allow Maricopa County voters the opportunity to vote on the extension of the transportation tax for an additional 20 years, starting on January 1, 2026; however, the brokered deal required Governor Hobbs to sign off on a bill that would prohibit municipalities from imposing rental tax. She had vetoed a similar bill earlier in the session.

If the extension is approved by the voters, money from the half-cent transportation tax would be deposited into the Regional Area Road Fund (RARF) and distributed to freeways, highways and street improvements. A total of 40.5% of RARF revenue will go toward freeways and state highways while 22.5% for major arterial streets. In addition, 37% will go to the Public Transportation Fund, which goes toward the maintenance and operation of public transportation and light rail.

Renewing the tax won't actually be an increase to taxpayers for the next 20 years. It's expected to raise over \$1 billion per year for a total of \$21.7 billion. The ballot proposition will appear during the 2024 General Election.

ESG/DEI Legislation

Arizona, like several other states throughout the country, saw a number of bills introduced this session targeting the policy of environmental, social, and governance (ESG) investing and diversity, equity and inclusion (DEI) investing; however, the governor vetoed every ESG and DEI bill that reached her desk.

This topic continues to be a hot-button issue in Arizona and around the country. While most of the initial ESG/DEI legislation targeted government and financial services companies, we are now seeing the scope expanded to go after other private entities.

