

AUGUST 2023

LEGISLATIVE HIGHLIGHTS

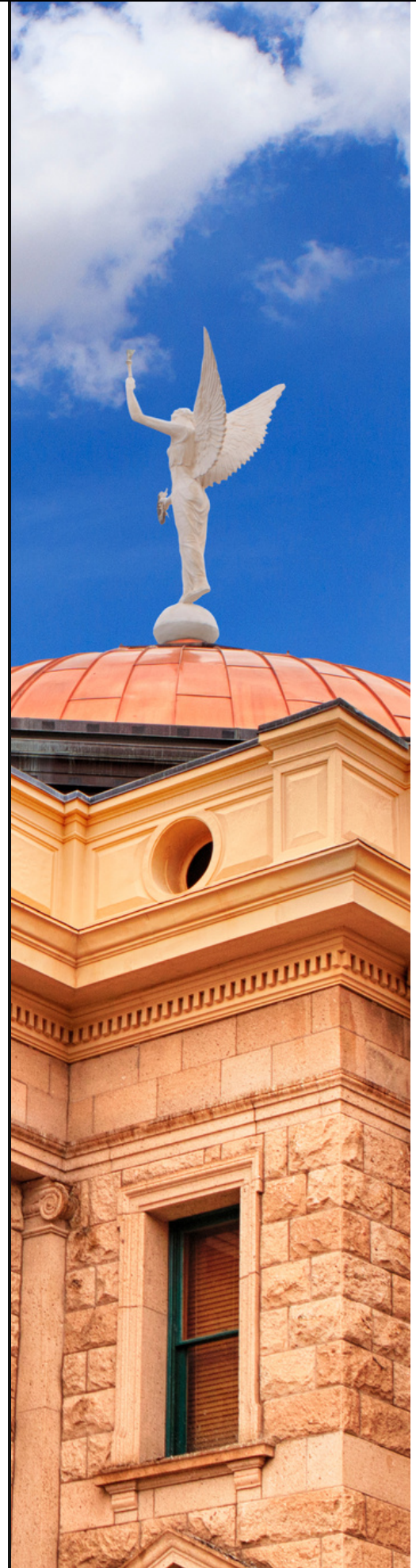
56TH LEGISLATURE - FIRST REGULAR SESSION



ARIZONA STATE SENATE
REPUBLICAN CAUCUS

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SENATE REPUBLICANS



WARREN PETERSEN
PRESIDENT
LD 14



SONNY BORRELLI
MAJORITY LEADER
LD 30



SINE KERR
MAJORITY WHIP
LD 25



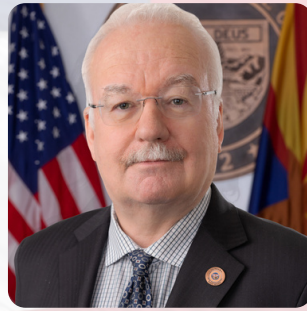
T.J. SHOPE
PRESIDENT PRO
TEMPORE
LD 16



KEN BENNETT
LD 1



STEVE KAISER
LD 2



JOHN KAVANAGH
LD 3



WENDY ROGERS
LD 7



DAVID FARNSWORTH
LD 10



J.D. MESNARD
LD 13



JAKE HOFFMAN
LD 15



JUSTINE WADSACK
LD 17



DAVID GOWAN
LD 19



ANTHONY KERN
LD 27



FRANK CARROLL
LD 28



JANAE SHAMP
LD 29

INTRODUCTION

For the first time in more than a decade, Arizona embarked on a new era of divided government, with the Executive Branch led by Democrats and a Republican Majority in the Legislature. While Governor Katie Hobbs kicked off Opening Day 2023 with grandstanding on a pledge of bipartisanship, her actions throughout the first few months of the Fifty-sixth Legislature, First Regular Session were the exact opposite. Her lack of leadership and an unwillingness to meet in the middle with Republican lawmakers were on full display through her historic number of vetoes and unconstitutional executive orders issued in an effort to control legislative priorities. When she could have shown diplomacy by reaching across the aisle to enact commonsense laws for the citizens of this great state, she instead remained silent and killed nearly 150 bills in approximately five months, some of which passed out of the Legislature with strong bipartisan support.

Despite the Governor only winning the 2022 general election by less than a percentage point, Hobbs chose to alienate the remaining voters who also duly elected their Republican lawmakers to represent them on a variety of issues important to their lives and livelihoods. Nonetheless, Senate Republicans remained steadfast and delivered in their promises to limit government, reduce spending, cut taxes to provide inflationary relief, shrink regulations and zoning barriers to combat the housing crisis, advocate for transportation resources supporting our citizens' everyday needs, defend school choice, protect election integrity investments, preserve freedoms, protect the vulnerable, safeguard funding to defend our border, provide opportunities for all Arizonans, and fight for constitutional separation of powers, even with the Governor's and Legislative Democrats' pushback against these worthwhile endeavors. In addition, Senate Republicans executed on the Senate's crucial role as a check on Governor agency director nominations, by thoroughly vetting and only confirming director nominees who demonstrated they would faithfully execute the laws of the State of Arizona, free from partisan political agendas and outside influence, and whose objectives align with Arizonans' priorities.

FY 2024 BUDGET

In January of 2023, Governor Katie Hobbs released a structurally unsound budget that sought to provide free higher education to illegal immigrants, eliminate universal empowerment scholarship accounts (ESAs), and provide government money for abortion care under the guise of "family planning." This progressive wish list was dead on arrival with Senate Republicans. In response, Senate and House Republicans passed a conservative spending plan that would have increased formula funding for K-12 and Medicaid, kept state agencies funded through the remaining current fiscal year, and left ample resources to hedge against any economic recession. Unfortunately, the new Governor did not see the wisdom in this prudent plan and vetoed it. Following that action, Senate and House Republicans got to work negotiating with the Governor to find a compromise for a structurally sound budget that would preserve major achievements while also including member priorities. The final result: a major victory for Legislative Republicans and the taxpayers of Arizona!

The FY 2024 General Fund plan includes \$17.8 billion in total spending, a 1.6% reduction compared to the approved budget for FY 2023. The plan allocates \$2.5 billion in surplus one-time resources, but importantly, it does not include any net new ongoing spending for new initiatives – the first time this has occurred since FY 2017.

Just as important as what this budget includes is what this budget does not include. The agreed to budget plan does not include any restriction, cap, or repeal of ESAs, allowing parents maximum choice for their children's education. The budget does not include any money directed towards so-called "family planning" resources. Lastly, the budget does not include any funding for free higher education for illegal immigrants.





TAXES

Over the past four years, Senate Republicans have made major improvements to Arizona's income tax, culminating in moving Arizona from having a progressive income tax structure to a single rate of 2.5%. Despite the reduction to tax rates, revenues have still increased. As a result, Senate Republicans pushed to use some of the significant surplus to give money back to our taxpayers who have been hurt by inflation.

The FY 2024 budget includes the Arizona Families Tax Rebate, which is a one-time dependent tax rebate to provide some measure of relief to families and individuals who spend a significant portion of their income supporting children and adult dependents. Valued at \$260 million, the rebate will provide \$250 per child under age 17 and \$100 for each dependent age 17 and over, capped at \$750. To receive the rebate, the taxpayer must have had at least \$1 of liability in tax years 2021, 2020, or 2019.



ROAD AND HIGHWAY INFRASTRUCTURE

Infrastructure is a core function of government, providing a conduit for commerce, population growth, and overall economic prosperity. Totaling \$610 million in the FY 2024 spending plan, or 24% of the total \$2.5 billion allocation, funding for expansion and preservation of existing state highways and major city or town roads is a significant component of the plan. Major road investments include the following:

- \$89 million in additional funding to expand lanes on the I-10, from Phoenix to Casa Grande. This amount, combined with investments from prior years, will aid the State in securing the final amount of federal funding to complete the project.
- \$87.5 million for extending State Route 24, which will put a new state highway into one of the fastest growing areas of Arizona.
- \$76.2 million to finish expanding lanes on the I-17, between Anthem and Black Canyon City.
- \$54.3 million in pavement rehabilitation to state highways that have been damaged due to winter weather conditions.



PUBLIC SAFETY

Senate Republicans unequivocally support the men and women who serve in public safety positions. Consistent with that support, the budget plan passed by Senate Republicans includes \$374 million in additional resources to various public safety agencies in the State and targeted funding for local law enforcement agencies. Major components of the \$374 million investment in public safety include:

- \$118 million for capital improvements in the State's prison system, including installing air conditioners, fire and life safety projects, and general building renewal projects.
- \$113 million in additional operating funding for the Department of Corrections to address increases in prison operating costs, including \$51 million for inmate health care cost increases.
- \$75 million for the Department of Public Safety, including \$41 million for the Department's land mobile radio replacement project to upgrade and replace existing radios, as well as the infrastructure supporting them.
- \$27 million in distributions and grants for local law enforcement agencies.
- \$15 million going to the Office of Homeland Security, with \$10 million in grant funding for law enforcement to prevent human trafficking.



HEALTH AND WELFARE

The FY 2024 budget includes numerous investments in the State's health and welfare agencies that will benefit many Arizonans.

Much of the new investment is being directed to affordable housing, homeless shelters and services. The FY 2024 budget includes a \$150 million deposit into the Housing Trust Fund, the primary state funding source for aiding the development of affordable housing units. Additionally, the FY 2024 budget includes \$60 million for a newly created homeless shelter and services fund (\$20 million in FY 2023 and \$40 million in FY 2024) to provide grants to cities and nonprofits to manage and serve the homeless population.

Beyond those large investments in housing and homelessness, the FY 2024 budget contains operational and programmatic investments throughout state government. Major components of these investments include:

- \$42 million for the Department of Child Safety.
- \$30 million for the Arizona Health Care Cost Containment System, including \$4.2 million to draw down additional federal funding for the State's ten critical AHCCCS hospitals in rural Arizona.
- \$28 million for the Department of Economic Security, including \$5.5 million to encourage the consumption of locally grown produce for members in the supplemental nutrition assistance program.
- \$32 million for the Department of Health Services, including nearly \$2 million to develop a state Alzheimer's disease plan and promote public awareness about dementia.
- \$13.7 million in veteran specific investments, including funding for veterans housing, reintegration programs, and suicide prevention training.



EDUCATION (K-12 AND HIGHER EDUCATION)

Having added \$4 billion in state investment to K-12 education since FY 2014, nearly doubling the amount of state investment in K-12, the FY 2024 budget once again provides significant resources for K-12 education. In total, the budget includes \$580 million for K-12 education above the standard adjustments for inflation and population increases.

The largest single investment will provide a \$300 million infusion into districts and charters for the next school year. Distributed on a per-pupil basis, this flexible funding can be used for operations or capital needs.

The budget also provides \$200 million in school capital repair funding, keeping the same level of funding from FY 2023 to FY 2024. These monies are distributed as grants to district schools and pay for roofs, air conditioning unit replacements, and other structural repairs.

In addition to increases for K-12 education, the FY 2024 budget also commits \$100 million to various Higher Education programs, including \$59 million for the State's public universities and \$41 million for community colleges, allocated primarily for rural community colleges outside of Maricopa and Pima counties.

Of the \$59 million for public universities, \$35 million will go towards two programs previously supported by Senate Republicans with \$20 million going to the Arizona Promise Scholarship program and \$15 million to fund more positions in the Teacher's Academy.

Of the remaining \$24 million, the following investments include:

- \$5 million in flexible operational funding split across the three public universities.
- \$5 million to expand primary care residency programs through the Board of Regents.
- \$4 million for the Center for American Institutions to foster research and teaching on foundational American institutions at Arizona State University.
- \$2 million to increase funding for the Board of Medical Student Loans to help medical school students finance their education in exchange for working in Arizona.
- \$2 million to provide scholarships to spouses or dependents of law enforcement officers.
- \$1.5 million for the University of Arizona to research and prepare for the challenges of living and working on the moon or Mars.
- \$1 million for agricultural workforce internships through the University of Arizona cooperative extension program.



Last session, Senate Republicans supported allocating a historic \$1 billion to the Water Infrastructure Financing Authority. Spread across three years at approximately \$333 million per year, this investment was intended to support water-related projects in Arizona that help augment water supply. To date, no project has yet been approved by WIFA, and the desalination project they sought to finance has been rejected by main stakeholders.

Instead of depositing another \$333 million with WIFA, the FY 2024 budget redirects \$143 million of the planned \$333 million deposit to water-related projects. Major projects funded through this redirection include the following:

- \$27.8 million to rehabilitate existing wells for the Town of Gilbert to augment their water supply
- \$25 million to create alternative groundwater delivery infrastructure to the Santa Rosa Canal in Pinal County
- \$20 million for Navajo County to improve the Little Colorado levee near the City of Winslow

- \$15.2 million for on-farm irrigation efficiency grants to farmers to utilize innovative irrigation technologies and reduce water use.
- \$11 million for a brackish groundwater pilot program to explore utilizing brackish water for water supply.
- \$10 million for the City of Peoria to drill new wells to augment the city's water supply.
- \$9.5 million deposit into the Water Quality Fee Fund.
- \$7 million in water infrastructure grant funding.
- \$3.4 million for Mohave County to develop a recharge basin.

In addition to water-related funding, the FY 2024 budget also includes \$18.7 million for Arizona's State Parks. This allocation to State Parks consists of the following:

- \$7 million for purchasing land to develop a new State Park near the headwaters of the Verde River in Paulden.
- \$6 million for the Heritage Fund that provides grants to cities and counties to maintain and develop local parks.
- \$5.2 million for the State Lake Improvement Fund to help localities manage projects on local lakes and waterways.
- \$500,000 into the AZ Trail Fund to help with maintenance of the 800-mile Arizona Trail.

TRANSPORTATION & TECHNOLOGY



PROPOSITION 400 EXTENSION

Since 1985, Maricopa County residents have paid a half-cent sales tax, enacted by voters, to grow and enhance the Valley's transportation network. Our taxpayers' reinvestment in the region has been a critical economic development and quality-of-life tool for the county and its residents. This session, Senate Republicans championed a pro-taxpayer, pro-commuter extension of the sales tax levied under Proposition 400. **SB 1102 (transportation excise tax; Maricopa County)** is the most conservative transportation funding proposal in the nearly 40-year history of Proposition 400. After months of heated negotiations, it passed out of the Legislature with overwhelming bipartisan support and was signed by the Governor, thanks to the strong leadership of Senate President Warren Petersen.

The guardrails, taxpayer protections and funding allocations in the text of SB 1102 reflect the priorities of voters, to reinvest their tax dollars in the transportation modes they use most. Republicans eliminated regional funding for the expansion of light rail, commuter rails, trolleys, and streetcars. They ended a foolish loop to the Capitol, hardly an economic center deserving of additional transit and vehicle congestion. They increased road funding projects from 54% of the tax to 63%. Republicans ended the shell game, no longer can dollars be shifted unilaterally after taxpayers have approved the measure. The air quality programs in prior versions of a Prop. 400 proposal were a completely undefined big government pipe dream. Republicans spelled out these terms and limited them to responsible expenditures, halting bureaucrats' attempts for Green New Deal policies. Republicans added more oversight at the Maricopa Association of Governments (MAG), increasing Legislative appointments from six to ten. They also balanced the power at MAG.

Currently, the power and the decisions to be made are dictated by two cities. Now, all cities will have an equal say in this process. Republicans ended road diets through lane restrictions. Any efforts to increase vehicle congestion are now unlawful. They provided transparency on the ballot; voters will know exactly how much of their money is going where. Republicans are requiring strong accountability. Cities who are underperforming with bus services lose their funding. They've targeted government inefficiencies and built-in real protections to keep them honest. Republicans protected driver freedom; this law stops any attempts to enact California-style combustion engine vehicle bans.

Transportation funding is squarely within the function of government, but Republican lawmakers revamped Prop. 400 to ensure that building highways and streets remain top priority. Republicans provided a good, responsible product for the citizens of Arizona to consider in 2024, giving voters the option to enhance critical infrastructure that our entire state relies upon.



OTHER TRANSPORTATION PRIORITIES

Supply chain delays have been a major contributing factor in the rising costs of goods. As part of a comprehensive agenda to combat rising inflation, Senate Republicans targeted regulatory burdens that have slowed the flow of commerce through our state. In some municipalities, local officials have unilaterally restricted truck movement along major arterial streets that connect large population centers. **SB 1097 (truck routes; designation)** prevents arbitrary route restrictions that are not justified by a demonstration that truck traffic cannot safely operate on the major arterial street. SB 1097 establishes a statewide determination process for route restrictions, averting a patchwork of varying local ordinances with little statewide conformity.

When state or local governments must restrict traffic to perform improvements, **SB 1098 (truck routes; signage)** requires uniform signage at every intersection to inform drivers and truckers how to best navigate around the road closure. If the Arizona Department of Transportation (ADOT) or local authority fail to provide this required notice, the public cannot be cited for failing to avoid the restriction.

With renewed interest in roundabouts as a safe, congestion-relieving alternative to traditional intersections, the Legislature took action to ensure commerce could efficiently navigate these junctures. With appropriate signage requirements, **HB 2288 (roundabouts; right-of-way; large vehicles)** allows large trucks to safely deviate from a lane to the extent necessary to drive through a roundabout. SB 1097, SB 1098 and HB 2288 were signed by the Governor.

Allowing the private sector to provide solutions to government-imposed requirements, **SB 1101 (authorized third parties; ADOT)** authorized third-party drivers' license providers (ATPs) to expand offerings to both truckers and the public. For commercial drivers' licenses, SB 1101 would have allowed ATPs to perform both administrative and testing functions, creating a one-stop shop for truckers seeking to fill needed positions during an industrywide labor shortage. For the general public, SB 1101 would have allowed ATPs to print title certificates and registration tabs for consumers, alleviating post office delays or an extra trip to the DMV. Apparently satisfied with the annual hassle our citizens experience in dealing with slow bureaucratic processes, this Governor carelessly vetoed SB 1101 to ensure government retains ownership of roles that private sector operators could fill more efficiently.

Senate Republicans also fought this session against disturbing new trends in transportation planning. Throughout Arizona's successful history of transportation infrastructure planning and construction, taxpayer dollars have been reinvested in modes travelers chose to utilize. Recently, bureaucrats driving planning efforts have introduced new social objectives designed to inhibit traditional vehicle mobility. Together, **SB 1312 (vehicle mileage; tracking; tax; prohibitions)** and **SCR 1018 (prohibit tax; monitoring; vehicle mileage)** preemptively halt transportation planning efforts that include recording a driver's vehicle miles and imposing a tax or fee based on distance traveled.

Senate Republicans will preserve the principle that taxpayer dollars should follow actual use patterns of how taxpayers choose to travel; funding should not be used to advance the government's own agenda on how it wants people to travel. **SB 1313 (general plan; transportation; independent study)** prohibits a general plan from including policies or projects that reduce overall system capacity for motor vehicle traffic. Transportation planners should prioritize relieving congestion, shortening commute times and improving the supply chain.

Unfortunately, progressive planning agencies have focused on reducing vehicle lanes to accommodate pedestrian and bike paths with little regional significance. SB 1313 ensures these planners maintain the proper focus when spending taxpayer dollars.

In statewide planning efforts, **SB 1314 (transportation system performance; ADOT)** correctly weighs performance factors to prioritize congestion reduction, mobility, and safety. For road projects, SB 1314 prohibits ADOT from considering or adopting a motor vehicle travel mile reduction target or any other demand-management policy or project. On the transit side, the proposal sets ridership benchmarks to encourage subsidized line efficiencies. The Senate Majority passed SB 1312, SB 1313, SB 1314 and SCR 1018 out of the Senate, but these legislative efforts stalled on the floor of the House.

HB 2586 (ADOT dynamic message signs) is a further effort to keep the government's focus on its principal function. Aside from amber, silver, and blue alerts, this proposal prohibits ADOT from using digital signs to promote messaging that is not related to transportation or highway public safety. This Governor, seeking to preserve a means to advance propaganda unrelated to transportation, vetoed HB 2586.



TECHNOLOGY

Senate Republicans brought the fight to big tech on two fronts: political bias and material harmful to children. **SB 1106 (social media platforms; standards; notification)** establishes standards for a social media platform seeking to deplatform a candidate. Recent revelations about targeted censorship of Republican messaging runs counter to free speech protections. Senate Republicans passed SB 1106 to ensure that content is curated uniformly, rather than selectively to silence a certain perspective.

To protect children from the growing accessibility of harmful online material, the Senate Majority passed **SB 1503 (internet; verification; harmful to minors)** to require accountability by commercial internet posting entities. If an entity intentionally or knowingly publishes or distributes material harmful to minors on the internet, the entity must verify the person attempting to access the material is at least 18 years old. If negligent in this duty, the commercial entity faces stiff liability for all damages.

NATURAL RESOURCES, ENERGY & WATER



Senate Republicans continue to champion an "all the above approach" to managing Arizona's water resources, understanding that both growth and economic development will continue if augmentation, storage, conservation, recharge and reuse are pursued collectively by the state. Senate Republicans identified deficiencies in Arizona's proactive, coordinated augmentation and storage planning efforts during last year's historic Water Infrastructure Financing Authority (WIFA) investment. To remedy this shortcoming prospectively, the Legislative Majority passed **SB 1257 (water resources; assistant director)**, establishing an Assistant Director position within the Department of Water Resources (DWR) specifically focused on water augmentation and in-state water storage capacity, including construction and improvement of dams. Despite the Legislature's understanding of the necessity for dedicated staffing to advance these objectives, the Governor vetoed SB 1257, hopeful that DWR would devote energy to this important function using existing agency staff.

Senate Republicans advanced several key water conservation measures at various levels of water use, including among water providers, businesses, farmers and homeowners. For water providers, **SB 1390 (water infrastructure finance authority; amendments)** expanded rural access to the Water Conservation Grant Fund by allowing both private water utilities and tribal entities to qualify for conservation projects. These entities serving rural Arizonans now have the same access to innovative outdoor landscape, indoor reuse and storage projects, as the rest of the state. For businesses, Senate Republicans enhanced funding for the Water Infrastructure and Commerce Grant Fund under **SB 1223 (water infrastructure; commerce grant fund)**.

This allows financial support to be accessible to businesses for new water infrastructure that enables reuse. For agricultural water users, **HB 2022 (water; report; fees; levee)** eases compliance with active management area and irrigation non-expansion area requirements by capping application fees for certificates of grandfathered rights and notices of authority to irrigate land. Incentivizing crop irrigation efficiencies, the Senate supported **HB 2026 (appropriation; on-farm efficiency fund)** to expand funding opportunities for farmers seeking to lower water use with on-farm irrigation efficiencies newly available on the market. At the homeowner level, Senate Republicans lifted government regulations preventing widescale deployment of in-home gray water systems that reuse shower water to flush toilet facilities, under **HB 2143 (gray water; residential standards; rules)**. Rather than securing an individual permit for each system, gray water system manufacturers will receive a single permit for the system that can be widely installed in new home builds.

When Arizona communities need swift intervention to resolve water management issues, Senate Republicans acted promptly and decisively to provide a solution. Following curtailed access to water in the Rio Verde community, the Legislature passed **SB 1432 (small residential developments)**, establishing a temporary standpipe district to treat and transport water to homes within this community until the completion of permanent water infrastructure. Enacted with an emergency clause, this bipartisan solution shows that the Legislature will continue to rise to the occasion in managing Arizona's water resources.

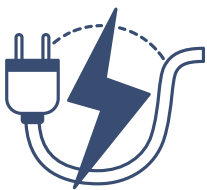


AGRICULTURE

Arizona's agricultural sector remains foundational to our state's economy and culture. Multi-generational families, alongside new industry entrants, are valued stewards of the land and animals that provide critical food security to our communities. Senate Republicans championed several measures to ease government burdens on farmers and ranchers. **SB 1251 (working animals; restrictions; prohibition)** preempts patchwork regulating, prohibiting localities from further restricting a person from lawfully utilizing a working animal in an agricultural operation or rodeo. Although this measure would have provided regulatory certainty under existing statute that specifically outlines animal care standards, Governor Hobbs vetoed the proposal to allow cities and towns the discretion to adopt their own standards above and beyond statute.

Easing the cost of complying with animal vaccination requirements, Senate Republicans secured enactment of **SB 1194 (state veterinarian; certified rabies vaccinator)** to allow non-veterinarians, with proper training and oversight, to administer the rabies vaccine in rural areas of the state with limited access to licensed veterinarians. The Legislative Majority also passed **HB 2145 (dude ranches; historical markers)**, applying historical designation to Arizona's Dude Ranch Trail Program and remedying a defect in valuation of their property.

Arizona's agricultural workforce is aging. To help new farmers, and sustain existing farm and ranches of all sizes, the Legislature in 2021 established the Agricultural Workforce Development Program at the University of Arizona Cooperative Extension. This program provides critical mentorship opportunities for the next generation of land resource stewards. Upon movement of **SB 1310 (agricultural workforce program; apprentices; appropriation)** through both the Senate and House, \$1 million was appropriated to the program in the FY 2024 budget. An integral supplement to Arizona's robust grain industry, the Grain Research Council helps to expand commodity markets outside of the state. The Legislative Majority continued the Council for an additional eight years under **HB 2507 (grain research council; continuation)**.



ENERGY

Republicans remain champions for reliable and affordable energy, combating government-imposed regulations and Green New Deal agendas that compromise these core objectives. **HB 2440 (electric energy; power companies; priorities)** would have required energy providers to prioritize reliability and affordability when planning infrastructure investments. Governor Hobbs vetoed this proposal, promising action on affordability by her administration that has yet to come to fruition. Together, **HB 2437 (transmission lines; applications; exceptions)** and **HB 2496 (transmission lines; definition)** worked in tandem to resolve the backlog of transmission line projects at the Power Plant and Transmission Line Siting Committee (Committee). Signed by the Governor, HB 2496 exempts small projects spanning less than a mile from Committee review. Unfortunately, the Governor vetoed HB 2437, exempting Committee review for projects wholly on land entirely owned by the utility, favoring bureaucratic delays over the additional input costs required to build out reliable power grids. The Governor also vetoed **HB 2618 (decommissioning; solar and wind; standards)**, a commonsense measure to facilitate decommissioning and site restoration standards for power plants.



Senate Republicans retained their commitment to balancing environmental regulations with individual liberties in the 2023 Legislative Session. Predictive of the ultimate United States Supreme Court finding in *Sackett v. Environmental Protection Agency (EPA)*, the Legislative Majority advanced **HB 2056 (dry washes; permit program exemption)** to exempt dry washes and other erosional features with infrequent flows from regulation by the Clean Water Act. Although the Governor fell on the side of overregulation with her veto of HB 2056, the *Sackett* decision puts environmental agencies on notice that the highest court will invalidate aggressive overreach. In the last several years, the Federal government has moved the goalposts in pursuing economically detrimental air quality regulations. Senate Republicans remain committed to federalism, passing **HCM 2008 (air quality; ozone standards; opposing)** to push back against the EPA's coercive and likely unconstitutional penalties on Arizona to comply with an ozone standard that is impossible to attain through any of the control measures being considered. An instance where regulation was supported by a cost-benefit analysis, Senate Republicans supported **HB 2669 (prohibition; biosolids; land application)** to establish reasonable rules containing sewage and septage to the site of a biosolid operation.

MILITARY AFFAIRS, PUBLIC SAFETY, BORDER SECURITY



SUPPORTING LAW ENFORCEMENT AND VETERANS

Senate Republicans remain committed to providing resources to those on the front lines of combating human trafficking. **SB 1311 (antihuman trafficking grant fund; appropriation)**, was incorporated into the budget and establishes the antihuman trafficking grant fund. The Legislature appropriated \$10 million to the fund, which is to be administered by the Arizona Department of Homeland Security. Of that, \$10 million, \$2 million is to be distributed to the Department of Public Safety's Arizona counter-terrorism information center for antihuman trafficking operations, and \$8 million is to be distributed in grants to municipal and county law enforcement agencies for programs that reduce human trafficking.

In the many rural parts of Arizona, it's essential for law enforcement officers to have adequate communications systems. The current systems and structures in place are extremely antiquated and in need of critical repairs and updates. Recognizing this necessity, Senate Republicans supported **HB 2726 (appropriation; DPS; mobile radio system)**. Through the budget process, \$44.4 million was appropriated to the Department of Public Safety for these critical land mobile radio system expansions and upgrades.

HB 2540 (fire incident management fund; appropriation) was also incorporated into the budget and establishes the Fire Incident Management Fund. The Legislature appropriated \$12.2 million to be awarded in grants to municipal fire departments and fire districts for implementation of a standardized incident command and management platform. This important system will provide crucial information to those on the ground fighting dangerous fires and other major incidents. It will also allow a variety of agencies to work together to coordinate efforts and protect all those involved.

Senate Republicans support Arizona's law enforcement officers and their families. **HB 2420 (law enforcement; families; tuition scholarships)** was incorporated into the budget and appropriates \$2 million to the Spouses and Dependents of Law Enforcement Officers Tuition Scholarship Fund. The purpose of the fund is to award tuition scholarships to spouses and dependents of law enforcement officers who enroll in postsecondary educational institutions and programs.

Arizona's counties all have elected constables who serve as officers of the county justice courts. Like justices of the peace, constables are elected by the people of their local precincts to serve four-year terms. Constables and their deputies are the executive enforcement branch of the county justice courts. While other county officials have had pay increases in the past few years, the Legislature has not raised constable pay ranges in almost a decade. **SB 1307 (constables; salaries)** raised the statutory pay ranges for these officials that play an important role in Arizona's counties.

Arizona is home to many veterans who have training and skills that can be transferred into Arizona's robust workforce. Integrating our men and women of the armed forces into these jobs helps our veterans and their families, while also providing a great benefit to our state's economy.

HB 2589 (emergency medical technicians; military reciprocity) amends Arizona statutes to allow military veterans to receive emergency medical care technician certification based on training and testing they participated in while in the military, instead of having to undergo duplicate training and testing that can cost more money and take more time. If these veterans have already completed a comparable level of training and passed the necessary tests, this bill makes them eligible for certification from the Arizona Department of Health Services.



PUBLIC SAFETY

Churches across the country are increasingly becoming targets of violence and crime. The federal government administers the Nonprofit Security Grant Program to provide funds for increased security measures to nonprofit organizations that are at high risk of terrorist attacks. Unfortunately, many small and medium-sized organizations in Arizona, including many smaller houses of worship, are unable to take advantage of these funds because they lack the ability to pay for these enhancements upfront and wait for reimbursement. Senate Republicans championed **SB 1713 (nonprofit security grant program fund)** to establish the Arizona State Nonprofit Security Grant Program. This program was incorporated into the budget and will help these smaller nonprofit organizations and churches at high risk of terrorist attacks, hate crimes, or other attacks because of their ideology, beliefs, or mission. The Legislature appropriated \$5 million to this fund to be distributed to these organizations for target hardening and other security enhancements.

Arizona's children are a top priority to Senate Republicans. And when a child is within the state's care, we should do everything possible to ensure that child's safety. **HB 2651 (missing children; alert; notification; reporting)** addresses and augments the Department of Child Safety's procedures when a child in foster care goes missing. The bill also provides accountability to make sure the Department undertakes all appropriate efforts to locate any missing, abducted or runaway children.

EDUCATION



Critical Race Theory (CRT) has become more prevalent in classrooms across Arizona, as teachers force-feed this senseless dogma and political ideology to students. Our students are being taught that one race or ethnic group is superior to another. Under no circumstances is this acceptable in Arizona classrooms. **SB 1305 (race; ethnicity; prohibited instruction)** would have prohibited public schools from promoting or advocating for racism and discrimination. Furthermore, the bill outlined a parental complaint process and defined an investigative procedure in the case of a violation. A teacher found to be in violation would have been subject to disciplinary action, including suspension or revocation of their certificate. In addition, a public school or school district would have been subject to a fine of no more than \$5,000 per day. This bill was an outright ban on the use of racial prejudices in public schools. Senate Republicans denounce racist propaganda and instruction in the classroom, but the Governor's veto indicates she believes it's perfectly acceptable to treat a student differently solely based on the color of their skin.

It's no secret Arizona parents want to be involved in their child's education and school activities. One of the best and easiest ways for parents to help and show support is to volunteer for the concession stands at school functions. However, some parents were required to obtain a food handler card to hand out popcorn and candy to attendees. **HB 2016 (food handler certificates; training; exemption)** prohibits a county from requiring a school volunteer at a school function to obtain a food handler card where food is present, outside of regular food service. Senate Republicans continue to remove unnecessary barriers that interfere with a parent's right to engage in their child's education and school activities.

Arizona schools are a prime example of the nationwide teacher shortage, as they struggle to attract and retain teachers. Senate Republicans have found creative solutions for school districts to increase the student-to-teacher pipeline through a classroom-based preparation program. The program allows school districts to grow their own teachers within their own unique communities. The individual must meet various requirements, one of which is to possess a bachelor's degree by the time of program completion. Schools should be able to utilize every tool in the toolbox, and many school districts across the state have taken full advantage of the program. **HB 2057 (classroom-based preparation program; employment)** ensures individuals in a classroom-based preparation program are paid for their work as a classroom teacher. Senate Republicans will continue to find ways to combat our teacher shortage and retention crisis through various commonsense approaches.

To further address the need for teachers in the classroom, **SB 1584 (small school districts; substitute teachers)** will now allow a small school district to employ a substitute teacher who is the spouse or immediate family of a school district governing board member. Teacher recruitment and retention have both been especially hard on our rural school districts, and prior statute did not allow for the spouse or family members of a school district governing board member to substitute teach. In order to prevent a conflict of interest, the bill also stipulates that a governing board member related to a substitute teacher must recuse themselves from voting on any matters relating to substitute teachers. Senate Republicans recognize the severity of the teacher shortage and will continue to find reasonable solutions.

Similarly, Senate Republicans believe there's immense value in firearm safety education. Our members support firearm safety education and believe this essential knowledge is a critical component in protecting Arizona children. **HB 2332 (firearms safety; training; schools)** would have required public schools to teach age-appropriate concepts of firearms safety to students in grades six through 12, at least once. It goes without saying, parental choice and transparency are imperative. The bill would have preserved this tenet by giving parents the ability to opt their child out. In her veto letter, Governor Hobbs stated, "Firearm safety training in schools is not the solution to gun violence prevention," and this measure "could lead to immediate and long-term impacts on the health and wellbeing of students, teachers, and parents." However, her argument is absurd because knowledge is power. Senate Republicans will continue to champion firearm safety legislation to protect Arizona's children around guns.

Amid the 2018 RedForEd walkout, the Legislature gave teachers a 20% pay raise by 2020, with a caveat that school districts and charter schools prominently post teacher salary information on their website's homepage to foster transparency and accountability when it comes to taxpayer dollars. However, Senate Republicans found nearly 70% of school districts are not in compliance with state law. **SB 1599 (school districts; teacher salaries; posting)** subjects a school district to a civil penalty if the school district violates the law and does not correct the action within 60 days. The measure further requires the Arizona Department of Education (ADE) to prominently post on the website's homepage a cumulative report on school district teacher salaries. Senate Republicans continue to pour a record amount of money into the public school system and demand school districts be open and transparent about where taxpayer dollars are or are not being spent. This bill passed out of the Senate but was held in the House.

With the largest school choice expansion in the country last year, it is more important than ever that parents are aware of their school choice options. Across the country and here in Arizona, parents continue to vote with their feet by leaving inadequate schools or districts for superior ones. **HB 2539 (school choice; failing schools; notification)** empowers parents to seek out the best education possible for their children. The bill would have established the Arizona School Choice Program and directed the Arizona Department of Education (ADE) to operate a hotline for school choice questions, as well as to develop a notification letter for public schools that receive a 'D' or 'F' letter grade to inform parents. Transparency in school performance creates the necessary pressure school administrators, teachers and other education providers need to entice healthy competition, which leads to better student results in the classroom. The bill would have also created a process to notify all current and new residents about their school choice options. This process would have ensured parents have the necessary information to make the best decisions for their children. However, Governor Hobbs recklessly struck down the legislation and does not support the freedom and flexibility parents are demanding from their child's education. It's clear Governor Hobbs supports a one-size-fits-all, dictatorship approach to education.

In recent years, political ideology has been thrust into the classroom by educators in increasing numbers as a normal facet to public instruction. Arizona public schools require teachers to complete training courses throughout the school year to receive their full salary.

However, Equity, Diversity, and Inclusion (EDI) and "white privilege" are just some of the outrageous topics teachers are involuntarily made to consume through these trainings, which inevitably make it into classroom curriculum. **HB 2786 (teacher training; parental notification; requirements)** would have required public schools to adopt procedures for parental notification and access to teacher and administrator training materials. The measure would have supported the notion that parental choice and transparency are imperative. Our members believe political ideology and dogma have no place in the public education system, but at the very least, parents should have knowledge and access to the messages their children are consuming from educators. Unfortunately, the bill was ignorantly vetoed by the Governor.

As some Arizona school districts remain steadfast in their continued push of political ideology onto students, their efforts are jeopardizing the health and safety of kids and teens. Currently, biological male students in public schools are allowed to use female bathrooms, showers and locker rooms if they simply claim that they identify as a female. However, parents and students statewide are extremely uncomfortable with what is becoming common practice, as it subjects most students to a higher risk of sexual violence in some of the most vulnerable and revealing situations. Students have a right to privacy and modesty. **SB 1040 (public schools; restrooms; reasonable accommodations)** intended to protect that very right. To both protect students' rights to privacy and modesty, while still providing reasonable accommodations to those who feel the need to use facilities opposite of their biological sex, this measure would have required a public school to provide access to a single-occupancy restroom for those individuals. The Arizona Accommodations for All Children Act provides a reasonable approach to balance the modesty needs of the students who may be uncomfortable with members of the opposite sex in their facility, while also providing an option for students who cannot or will not use the facility that corresponds with their biological sex. Senate Republicans will continue to fight for commonsense policy that preserve and protect our children's natural sense of modesty. The bill was vetoed by the Governor.

While gender nonconformity rhetoric is commonplace in the classroom, parents should be informed about this messaging. School employees are knowingly referring to a student by a different pronoun or name opposite of their biological sex, often without the parent's consent. Data shows children who struggle with their gender identity are much more susceptible to depression, anxiety, and even suicide. **SB 1001 (pronouns; biological sex; school policies)** would have protected Arizona students while safeguarding parental rights. This bill would have limited when school employees can refer to a student by a pronoun different from their biological sex and would have required written parental consent to refer to a student by a pronoun different than their biological sex. This measure would have given power back to parents, as school employees have no right to hide such personal information about a student from their parent. Governor Hobbs' veto entirely disregards parents' rights and continues to bifurcate students and parents. Senate Republicans will continue to elevate parental notification and involvement in the conversations surrounding their children.

The massive ramifications of the pandemic are undeniable, as student achievement continues to decline and dropout rates increase. Dual enrollment provides an opportunity for students to earn both high school credit and college credit at the same time. However, the cost of dual enrollment courses and the shortage of eligible teachers hinders the availability and growth of the system. **SB 1717 (dual enrollment; revisions; appropriations)** aims to further expand the program through three incentives: (1) reimbursement to students of up to \$50 per credit hour, (2) a bonus of up to \$1,000 for each teacher who satisfies the requirements and teaches at least one dual enrollment course, and (3) a bonus for the school district or charter school of a student who receives a passing grade in a dual enrollment course. It's a win-win. Students that participate in dual enrollment often have a higher grade point average (GPA) and are more likely to continue their education after high school. The measure provides additional professional development opportunities to teachers and offers a reward for their success in the classroom. With more dual enrollment teachers and more students in the system, it's a recipe for success. The measure did not pass as an individual bill but was part of the budget in **SB 1729 (K-12 education; 2023-2024)**.



HIGHER EDUCATION

In a valiant effort to address the workforce needs of Arizona, Senate Republicans sought the expansion of two current programs. The Arizona Promise Program and the Arizona Teachers Academy aim to bolster the workforce through financial assistance for college students. The Arizona Promise Program provides financial assistance to eligible students whose federal Pell Grant or other financial aid do not cover the cost of college tuition. Similarly, the Arizona Teachers Academy covers the cost of tuition for college students who agree to teach in an Arizona public school for as many years as they received funding. **SB 1182 (Arizona promise program; private universities)** and **HB 2428 (private universities; Arizona teachers academy)** expand these two successful programs into our private universities. Nearly 70% of jobs will soon require education beyond high school, and these measures will help equip students with the necessary education for success and strengthen our skilled workforce. Senate Republicans believe Arizona needs an all-hands-on-deck approach to build and sustain a strong workforce. Governor Hobbs continuously preaches the importance of finding meaningful solutions to combat the Arizona teacher shortage but continues to veto common sense legislation. HB 2428 died on the Governor's desk. SB 1182 was held in the House.

Arizona public universities should welcome and encourage free speech on campus. However, this is not the reality, as Arizona public universities continue to limit students to "free speech zones," effectively stripping them of their First Amendment rights. **SB 1013 (colleges; universities; free speech zones)** protects free speech on college campuses across the state. The bill prohibits an Arizona public university or community college from limiting the area where free speech may be exercised if the person is lawfully present. The bill also ensures that a person is allowed to engage in expressive activity in any area in which they are lawfully present. Arizona college campuses should be places where students can learn and grow from the exchange of ideas and engage in meaningful discussion with others. Senate Republicans will continue to pursue commonsense legislation that protects the constitutional rights of our students. The bill passed with bipartisan support and was signed into law.

HEALTH AND HUMAN SERVICES

Lawmakers across the country are reexamining the role of Pharmacy Benefit Managers (PBMs) in the health care system due to the impacts rapidly increasing costs of prescription drugs are having on consumers. PBMs are third party companies functioning as intermediaries between insurance providers and pharmaceutical manufacturers. PBMs create formularies and pharmacy networks, negotiate rebates with manufacturers, process claims, review drug utilization, and can manage mail-order specialty pharmacies. In recent years, Senate Republicans have considered and passed legislation to address concerns regarding PBM business practices, with particular focus on consumer protection and transparency.

While PBMs are tasked with determining which medications will be covered by health insurance plans and how much those prescriptions will cost patients, there is currently no independent entity for a patient to appeal to if they believe a PBM is participating in unfair practices that are impacting the patient's access to medications. **S.B. 1382 (pharmacy benefit managers; certificate requirements)** remedies this by granting the Department of Insurance and Financial Institutions jurisdiction over PBMs. Beginning January 1, 2025, PBMs will be required to obtain and maintain a valid certificate of authority in order to operate in Arizona. This important legislation aligns PBMs with the rest of the sectors of the healthcare system, as this oversight is already required for insurance companies, utilization management companies and administrators. Additionally, SB 1382 provides necessary protection for providers and patients by designating DIFI as an independent party who consumers can turn to when they encounter issues with PBMs and who can hold PBMs accountable for complying with state and federal laws. SB 1382 being signed into law is a significant victory for Arizona patients and healthcare providers who demand transparency, oversight and accountability of PBMs.

Breast cancer is the second leading cause of cancer among women in the United States, with 230,000 cases diagnosed annually countrywide, and over 6,000 cases expected to be diagnosed in Arizona in 2023. Early detection measures, such as breast cancer screening, are an essential component to our healthcare providers' ability to save the lives of those affected by breast cancer. If caught early, women have a *98% chance of beating breast cancer*.

In the last decade, breast cancer screening technology has seen a substantial shift in which digital breast tomosynthesis (DBT) has replaced standard 2-D mammography alone as the standard of care. DBT studies have demonstrated reductions in women being called back for additional imaging because of an abnormality seen on an initial breast cancer screening. Additionally, DBT can also be more sensitive than 2-D digital mammography for detecting breast cancer. While insurance coverage for DBT is not required under the Patient Protection and Affordable Care Act, several states across the country have required coverage without cost sharing for private insurers. In order to provide this potentially lifesaving cancer screening and foster more favorable health care outcomes for Arizona women, Senate Republicans proudly passed **SB 1601 (breast examinations; cancer screening; age)**.

This legislation provides much-needed updates to our state's breast cancer screening statutes to reflect the technologies and evidence-based best practices currently used by healthcare providers. SB 1601 eliminates the outdated timelines for breast cancer screening currently prescribed by statute and instead requires insurers to base their breast cancer screening coverage as recommended by the National Comprehensive Cancer Network. Additionally, SB 1601 adds DBT to the definition of mammography which will ensure that this screening modality is covered by insurers as prescribed. The increased accuracy of DBT screening for breast cancer can reduce the frequency of patients being called back for further screening due to abnormalities. It can also produce a cost savings and expedited peace of mind for patients while they await screening results.

SB 1601 establishes an important tool for healthcare providers and their patients to create better healthcare outcomes for women affected by breast cancer. As breast cancer is one the leading cancers claiming the lives of Arizona women, early detection is essential to saving lives. The inclusion of DBT screening as the standard of care will facilitate important access to women's health services and protect consumers from high out-of-pocket costs.

In late 2022, the Senate Health and Human Services Committee of Reference held a hearing to consider the sunset review and performance audit of the Board of Dental Examiners (BODEX). Highly concerning information was exposed about deaths that had occurred in dental offices due to complications associated with the administration of anesthesia. While DHS has general authority over the administration of anesthesia and sedation in office-based settings, BODEX is charged with regulating the administration of anesthesia and sedation in dental offices and clinics. Currently, BODEX rules regarding anesthesia and sedation provide inadequate protection for patients and inequitably burden qualified anesthesia providers. BODEX does have an Anesthesia and Sedation Committee that has been reviewing rules regarding anesthesia and sedation in dental setting for the past few years, however, they have not produced timely results. To expeditiously address these issues and protect Arizona patients, Senate Republicans passed **SB 1602 (dental anesthesia; requirements)** as an emergency measure necessary to protect public health and safety.

SB 1602 delineates the health professionals who are considered qualified anesthesia providers to include dental anesthesiologists, oral surgeons, physician anesthesiologists and certified registered nurse anesthetists (CRNAs). The bill requires dental anesthesiologists and oral surgeons, who are licensed and regulated by BODEX, to obtain a separate permit issued by BODEX to administer anesthesia and sedation. The bill also requires physician anesthesiologists and CRNAs, who are not regulated by BODEX, to register with their respective regulatory boards to provide anesthesia and sedation in dental settings. SB 1602 also augments safety requirements for dental offices where general anesthesia and sedation are administered by requiring that established emergency protocols include advanced cardiac life support and pediatric advanced life support. The bill also makes commonsense reforms by requiring reporting of adverse outcomes to BODEX and requires BODEX to promptly report noncompliance or involvement in adverse outcomes to the provider's licensing board. Further, all anesthesia providers must self-report adverse outcomes to their respective licensing boards.

Lastly, SB 1602 seeks to increase and enhance patient safety by ensuring BODEX's anesthesia and sedation committee produces recommendations in a timely fashion to delineate important steps toward avoiding preventable deaths during the administration of anesthesia and sedation in dental settings. This legislation highlights the importance of legislative oversight and the value of the sunset review process. It also takes necessary steps to address patient health and safety concerns to better ensure the safety of patients undergoing general anesthesia and sedation in dental offices in our state.

Senate Republicans have a demonstrated history of seeking out ways to improve and augment the mental health care system in our state by partnering with stakeholders from all aspects of the continuum of care to achieve this goal. Law enforcement is often the first to interact with a person during a mental health crisis, and through their experience in these situations, our sheriffs identified a loophole in our mental health system that needed to be addressed to keep individuals from falling through the cracks and decompensating in their mental health conditions. Currently, when a person is brought in for a general screening after a mental health crisis event, they are given an opportunity to undergo a voluntary evaluation, rather than a court-ordered evaluation, if they meet certain criteria. However, there is no mechanism in place to track whether that person actually received a voluntary evaluation or to know the results of the evaluation. This disconnect allowed people to choose to undergo a voluntary evaluation without any requirement to confirm or communicate that an evaluation had actually been completed. Eventually, these individuals would slip through this loophole and fall further into a cycle of mental health crisis events.

HB 2041 (mental health; voluntary evaluations; payment) makes commonsense changes to close this loophole. The bill requires a county-provided evaluation agency be notified immediately if a person does not show up for their voluntary evaluation so that they may resume the general screening process for the person to ensure they are receiving the care they need. Further, the bill requires any voluntary evaluation provider who recommends that a person receive a court-ordered evaluation to send the recommendation back to the county-provided evaluation agency along with an application for a court-ordered evaluation. Lastly, if a provider concludes that a person has the ability, resources, and support network needed to improve their mental health condition and a court-ordered evaluation is unnecessary, the provider must also communicate this information to the county-provided evaluation agency. HB 2041 fixes a flaw in the mental health system that currently exists and will create a more efficient evaluation process, greatly improving a person's ability to connect to services on a voluntary basis and break the cycle of mental health crisis.

In 2021, Senate Republicans passed major telehealth coverage legislation that created an Acute Care-at-Home Pilot Program (Program) that authorized the delivery of acute-level hospital care in participating patients' homes. The three-year Program, administered by the Department of Health Services (DHS), includes remote monitoring of a patient at home by a hospital's clinical team, augmented by twice-daily nurse visits.

Thus far, DHS has approved approximately 150 acute medical conditions for the Program, including chronic obstructive pulmonary disease cellulitis, urinary tract infections, and related kidney infections, as well as pneumonia.

The Program has freed up much-needed hospital bed space for higher acuity patients and allowed patients to receive care while recovering in a more comfortable and familiar setting – their own homes. Hospitals that have chosen to launch Programs have reported positive results for participating patients with regard to quality of care and patient satisfaction. **HB 2042 (acute care services; pilot program)** extends the Program for an additional two years so that participating hospitals can continue to provide more choice, comfort, and convenience for patients who need acute-level care. Additionally, extending the Program until 2026 will allow for more growth in patient and hospital Program participation and lead to a more comprehensive evaluation of the Program, should the Legislature consider making the Program permanent in the future.

Vaccine mandates handed down by the federal government during the COVID-19 pandemic were overreaching and forced many Arizonans to make the difficult and impossible decision of choosing to receive an experimental, emergency authorized use vaccination, in order to maintain employment or attend school. Additionally, these vaccine mandates were handed down and implemented with little respect to an individual's right to honor their sincere religious and personal beliefs and not receive the COVID-19 vaccination. As a result, many Arizonans, including swaths of our healthcare workforce, bravely made the decision to remain steadfast in their deeply held religious beliefs, refused to be vaccinated, and lost their livelihoods in the process.

In an effort to affirm and protect the medical freedom and religious liberties of our citizens, Senate Republicans passed **SB 1250 (employers; vaccines; religious exemptions)**, which would have restricted government and industry's ability to limit Arizonans' right to make medical decisions that are in alignment with their religious and personal convictions. SB 1250 required all employers to provide their employees with an opportunity to claim a religious exemption from receiving a mandated COVID-19, Flu, or Emergency Use vaccination. Most importantly, the bill precluded an employer from inquiring into the veracity of an employee's religious beliefs beyond what is allowed by federal law or from discriminating against an employee because of their vaccination status. Our religious and personal beliefs should not be up for arbitrary and subjective judgement by our employers. Religious freedom is an integral pillar of our country.

By vetoing SB 1250, the Governor demonstrated her unwillingness and inability to preserve and support Arizonan's individual religious beliefs and medical autonomy. Our citizens' sincerely held personal beliefs should not be required to go through subjective scrutiny to be honored and respected, but with the veto of SB 1250 the Governor assures these freedoms will continue to be compromised and not be provided the protection they deserve. Senate Republicans remain dedicated to continuing to fight for all Arizonans' medical freedoms and identifying solutions to the nursing and healthcare shortage in our state.

The pro-life movement remains strong in Arizona following the momentous victory of the overturning of *Roe v. Wade*, the U.S. Supreme Court case that had protected abortions. To continue the momentum of the pro-life movement in our state and protect the lives of innocent infants, Senate Republicans passed the Born Alive Act, **SB 1600 (infants; born alive; requirements)**. This bill would have protected newborn babies and provided them with a fighting chance at life by affirming the legal personhood of any infant that is born alive. Thus, it would have afforded these vulnerable babies equal rights to care and other lifesaving measures, including spiritual and comfort care. This bill also would have held healthcare professionals accountable for violating these requirements or failing to report violations.

S.B. 1600 would have ensured all infants receive the best care and treatment possible and would have protected the lives of vulnerable babies. Sadly, the Governor, who since taking office has fought to preserve the life of a convicted murderer on Death Row, refused to protect the lives of innocent and voiceless infants by vetoing the bill - citing unfounded concerns regarding potential impacts on patient-doctor relationships. Despite the Governor's reckless veto of the Born Alive Act, Senate Republicans will continue to remain steadfast in our pro-life beliefs and work to make sure every infant is protected and given a chance at life.

In furtherance of Senate Republican's commitment to protecting our most vulnerable populations and enhancing the standard of care for Arizona seniors, we passed **SB 1157 (hospitals; discharge planning; patient assessments)**. This important bill will provide for improved transition of care for some of Arizona's most frail seniors. It requires hospitals to provide specific health-related information about patients being discharged to an assisted living facility, including written discharge plans, a point of contact at the discharging hospital, medication changes and specific dietary requirements.

Similarly, the bill also requires assisted living facilities, during a resident's health emergency, provide specific health-related information about its residents. The bill also provides a much-needed opportunity for assisted living facilities to screen patients prior to being discharged by a hospital to determine whether the patient's post-discharge care needs can be met by the facility. The exchange and disclosure of this information between hospitals and assisted living facilities will ensure residents are able to seamlessly return to their homes or be placed in a new facility more expeditiously, should a change in their condition require a new level of care not covered by their current placement's licensure type.

SB 1157 outlines practices that will provide for an improved transition of care for some of Arizona's most vulnerable individuals at what can be a confusing and frightening time in their lives. Senate Republicans will continue to protect our seniors and ensure they receive the best care possible.

Alzheimer's is a degenerative brain disease that causes problems with memory, thinking, and daily activities. It's the most common cause of dementia, which is a generalized term for memory and cognitive ability loss. Currently, there are 150,000 Arizonans affected by Alzheimer's disease, and Alzheimer's is the 4th leading cause of death in our state. However, it is projected that by 2025, the number of individuals living with Alzheimer's will increase by 33.3%. Furthermore, research suggests large numbers of those who are living with Alzheimer's have gone undiagnosed. While a cure for Alzheimer's has not yet been identified, numerous research studies have illustrated the importance of awareness and early detection as key components in reducing the risk for Alzheimer's. An early diagnosis can improve the quality of care and quality of life for those living with Alzheimer's and can reduce the financial impact of the disease.

In order to increase Alzheimer's awareness, enhance early detection and diagnosis, as well as create a collaborative and cohesive plan of action to address Alzheimer's in our state, Senate Republicans passed a package of bills that included **SB 1220 (Alzheimer's disease; state plan; appropriation)** and **HB 2087 (appropriation; dementia awareness)**.

HB 1220 directs the Department of Health Services (DHS) to develop an Alzheimer's Disease State Plan (Plan) to assess the current and future impact of Alzheimer's disease and related forms of dementia on our state, including existing services and resources. It will also examine Arizona's capacity and capability to provide effective detection and diagnosis of dementia.

Additionally, the Plan will identify any gaps in public and private services for people with Alzheimer's disease and provide a strategic approach for implementation and action in our state. The overall goals of the Plan are to increase access to Alzheimer's care, support, and treatment, improve the quality of care for patients, augment early detection and diagnosis, as well as facilitate a coordinated statewide response. Furthermore, SB 1220 establishes a Dementia Services Program within DHS to facilitate and support the coordination of outreach programs and services between state agencies, local public health departments, tribal nations, educational institutions and community groups. The goal is to foster public awareness and education regarding Alzheimer's disease and other forms of dementia.

Each state has its own unique needs and challenges, and SB 1220 will allow for the development and implementation of policies specifically tailored to better serve those living with dementia in Arizona, ultimately resulting in a more timely and effective response to Alzheimer's disease.

HB 2087 directs DHS to create and implement a dementia public awareness campaign targeting our rural and underserved urban areas. The campaign will not only increase Alzheimer's awareness in our state, but it will also foster greater access to Alzheimer's-related information, services, and support in areas that need it the most. Educational materials and connectivity to support services offered by the campaign will better inform and further empower Arizonans when making healthcare decisions. Increased awareness of Alzheimer's can lead to more frequent early detection and diagnosis. It can also significantly alter the course of the disease in a clinically meaningful way for people living with Alzheimer's. Early detection and diagnosis will allow individuals with the disease and their caregivers to better manage the disease, build a care team, connect with support services, and address personal safety concerns. Additionally, early diagnosis and detection can alleviate the financial burden of living with Alzheimer's, as those with diagnosed and managed dementia experience reduced general health and long-term care costs.

While Alzheimer's is a rapidly growing healthcare crisis facing policymakers across our nation, Arizona has the highest growth rate of Alzheimer's in the country. We must be at the forefront of identifying solutions, championing treatments, and supporting those affected by and living with the disease. With the passage of SB 1202, HB 2087 and SB 1726, Senate Republicans have finally established the leadership and focus our state greatly needs to address the prevalence and impact Alzheimer's and related dementias have on Arizonans.

In 2018, Senate Republicans successfully launched an aggressive initiative aimed at combatting the opioid epidemic in Arizona. Since then, fentanyl has similarly emerged as a dangerous epidemic that is gravely impacting our state and our country. Fentanyl is a powerful lab-made opioid that is approved by the U.S. Food and Drug Administration to treat severe pain. However, illegally produced and distributed fentanyl, as well as other illegal synthetic opioids, have been permeating the drug supply, contributing to a dramatic rise in drug overdose deaths. Because fentanyl is about 50 to 100 times more potent than morphine, and a lethal dose can be very small, using a drug that has been contaminated with, or replaced by fentanyl can greatly increase one's risk of overdose or death. The rapidly increasing prevalence of fentanyl distribution and use in Arizona has not only created a greater need for substance use, mental health and homeless services in our state, it has also resulted in a staggering number of overdoses and deaths of Arizona citizens. Additionally, the trafficking and illegal sale of illicit fentanyl across the border and into our state has created an alarming public health and safety crisis.

HB 2469 (sovereign authority; border; health crisis) acknowledged the importance of taking action to address the crisis at our border by officially declaring the trafficking of fentanyl across the Arizona border as a public health crisis. The bill asserted that it is Arizona's public policy to protect the state from drug cartels that threaten the public safety, health or welfare of the people of Arizona. To this end, the measure established that Arizona law must be interpreted and construed to protect the state's sovereign authority against any unlawful invasion at the Arizona-Mexico border. The bill also empowered our state's Department of Health Services to take any action within its authority to address the fentanyl crisis. While this important measure was supported and passed by Senate Republicans, it was carelessly vetoed by Governor Hobbs. The Governor's veto of HB 2469 ensures that the illegal sale of illicit fentanyl across our border will continue, to the detriment of the health and safety of Arizona citizens, and the fentanyl crisis will maintain an unfortunate foothold in our state.

GOVERNMENT

Minimizing government and removing regulatory burdens to spur our state's economy and development will always be top priorities for Senate Republicans. While the footprint of government has continued to grow across our nation, we are experiencing its negative effects right here in our state, especially in our housing market. Arizona's population has grown by approximately 15% since 2010, but housing has not been able to keep up with this level of growth. As a result, home prices and rental payments in Maricopa County alone have increased by approximately 60% due to the high demand. Regulatory red tape and the slow pace of bureaucracy have been major factors hindering our state's ability to meet our current housing demands. Recently, it has taken as long as two years to simply get local approval for new housing projects, which has further exacerbated the price hikes our citizens are experiencing.

In an effort to help alleviate Arizona's severe housing shortage and to shorten the lengthy and burdensome administrative approvals process that has slowed home building in our communities and driven up prices for Arizona families, Senate Republicans passed **SB 1103 (administrative review; approval; developments)**. Tackling this issue was a part of our Majority Plan established at the beginning of session. The bill provides county and municipal governments with a tool to expedite development and construction projects and conduct business more efficiently, without the barrier of bureaucratic red tape. SB 1103 empowers our counties and municipalities to adopt ordinances that authorize administrative personnel to review and approve site plans, development plans, preliminary plats, land divisions, lot line adjustments, lot ties, plat amendments or final plats and design review plans based on objective standards and without a public hearing. Authorizing administrative personnel to review and approve housing projects will help expedite them through the process, while condensing and speeding up the often cumbersome and lengthy process of administrative review for development and construction projects in Arizona.

Additionally, this legislation will allow for noncontroversial projects that are compliant with all applicable rules and ordinances to begin development in a more expeditious manner, in turn increasing our housing supply at a much greater rate. Further, SB 1103 also permits counties and municipalities to allow applicants with a history of compliance with building codes and regulations to be eligible for expedited permit review.

The vast majority of our country is facing housing supply and housing affordability issues, which has led to a lack of economical and safe housing options. The provisions of SB 1103 take a crucial step in the right direction to address this deficiency by encouraging, enabling, and stimulating the production and preservation of affordable housing options for Arizona families. Senate Republicans have a keen awareness of the emergent housing issues facing our state and will continue to seek solutions and pass legislation that creates more affordable housing options for all Arizonans.

Transparent governance demands that government officials act openly, and Senate Republicans strongly believe in transparency from all branches of government, particularly the executive branch. However, Governor Hobbs failed to offer and demonstrate meaningful transparency earlier this year when she took a stark departure from precedent by fundraising millions of dollars for her inauguration into a nonprofit entity that could be used for future political campaigns. Even more troubling, the Governor openly pledged \$500,000 to help the Democrat Party gain control of the Legislature in next year's elections. This pledge was extremely alarming to the public and our Caucus who believed that the inauguration money very well could be used for this cause, money that should never be going towards political gain, but rather to further help the needs of Arizonans.

It took weeks of public pressure before details were released regarding exactly how much money businesses and special interest groups paid to sponsor the Governor's inauguration ceremony. Meanwhile, public opinion vociferously and consistently asserted that it would be tremendously inappropriate to use the excess money for anything other than state business and that these dollars should emphatically be trackable to ensure transparency as they are spent. While the Governor faced stiff criticism for the fundraising move, she also resisted calls to transfer the excess cash into a promotional fund that is prohibited from use for political purposes. Although this has never been an issue with past Governors, Senate Republicans quickly realized current circumstances necessitate that transparency be demanded regarding these inauguration funds. To prevent state elected officials from breaking the law by misusing public funds to influence the outcome of an election, our caucus took swift action to introduce and pass **SB1299 (inauguration expenses; promotional fund account)**.

SB 1299 effectively limits how future governors may raise money for their inauguration activities by requiring governors to use a state promotional fund, which then may only be used for public purposes, for inauguration fundraising. The measure also caps donations at \$25,000 per person or business and limits how any excess monies may be expended. While Arizona has historically permitted the Governor to accept and expend public or private monies to promote the interests of our state, or to promote and encourage citizen public service to our state, when private monies become public monies, they must be subject to the highest standards of transparency and accountability. Our elected officials, particularly our Governor, should practice and model willful transparency rather than only offering meaningful and true accountability due to the pressure and demands of public opinion. With the passage of SB 1299, future governors won't be able to collect inauguration ceremony donations in a 501(c)(4) account like Governor Hobbs did earlier this year, and the public will be afforded the transparency they deserve.

Senate Republicans will always encourage all Arizona citizens to be more active and involved in public policy and politics at every level of government, including attending and expressing their views on public policy matters being heard before school boards, executive boards, and local governments. However, in some instances, constituents have cited difficulty in attending or taking part in public meetings because they have occurred in locations that cannot adequately accommodate the number of people who wish to participate in these meetings. This has resulted in concerns regarding the ability of the public to meaningfully participate in public processes, as well as concerns about the true "openness" of open meetings, as is demanded by the law, particularly when a public meeting is on a controversial matter.

To ensure that the voices of all Arizonans can be heard and that our open public meetings are truly open to the public, Senate Republicans passed **SB1270 (open meetings; capacity)**, which requires school boards, executive boards, and municipalities to provide a sufficient amount of seating to accommodate the anticipated attendance for public meetings. Additionally, the bill requires that meeting agendas display the time doors open to the meeting so the public is properly notified and can coordinate attendance. Senate Republicans respect and recognize the importance of cultivating a public meeting process that is truly open to all Arizonans who wish to participate so that their input may be considered by public officials at every level of government.

The Legislature is tasked with the great responsibility of deciding major questions of statewide policy. However, the administrative rulemaking process has been used in some instances to circumvent the Legislature in order to implement costly policies that adversely affect our regulated communities and create financial burdens for businesses. In an effort to rein in the administrative bureaucracy and bolster the duty of the Legislature to set statewide policy, we passed **SB 1255 (regulatory costs; rulemaking; ratification)** and **HB 2254 (rulemaking; regulatory costs; legislative ratification)**. These bills sought to establish appropriate guardrails within the administrative rulemaking process by providing the Legislature final approval over costly agency rulemakings before they could go into effect and create a negative economic impact in our state. The bills aimed to implement much-needed legislative oversight and transparency into the administrative rulemaking process by prohibiting any proposed rule estimated to increase regulatory costs by \$500,000 or more from becoming effective until the Legislature takes action to ratify the proposed rule. Most importantly, these commonsense measures would have protected taxpayers and job creators from unelected bureaucrats, while fostering a greater balance of power between the Legislature and the Executive.

Not surprisingly, Governor Hobbs vetoed SB 1255 and HB 2254 so that she may continue to weaponize the administrative rulemaking process and operate outside of her authority by setting costly statewide policies by rule and without legislative oversight or approval. In her veto letter, the Governor stated, 'If the Legislature disagrees with the rules implemented by the state, it can produce legislation to change them.' This is a massively counterproductive viewpoint and does not provide an effective mechanism to address regulatory issues that impact our state's economy in a timely manner. Senate Republicans will remain steadfast in their mission to protect the taxpayer and our state's economy. We will continue to demand and expect governmental accountability and transparency from the executive and administrative branches.

Environmental, social and governance, also known as ESG, describes a set of standards that are imposed on companies to advance certain liberal social justice and climate-related issues while influencing investing activity based on political agendas. The rapidly increasing use of ESG scores to compel the business practices of private companies, and the application of ESG scores as a determining factor for investment consideration, is negatively impacting business owners, retirees, pension holders and other investors.

The prevalence of ESG in recent years has resulted in criticisms that such practices are discriminatory, not only restricting the freedom of investors but also creating negative impacts on investment returns. There is additional concern that companies who engage in ESG practices and investing have been misleading in promoting their ESG-related accomplishments.

Ultimately, ESG criteria serves to achieve certain political goals at the expense of achieving high returns for investors. For example, tobacco and defense, two important industries that are consistently avoided by many ESG investors, have historically produced above-average market returns and have proven ability to deviate from recessionary trends.

To put a stop to politically motivated, discriminatory ESG investment practices in our state, and to protect the prosperity of all Arizonans, Senate Republicans introduced and passed SB 1139 (government investments; products; fiduciaries; plans) and SB 1500 (government investments; fiduciaries; pecuniary benefit). These bills would empower our Treasurer to eliminate ESG consideration from all state investments by requiring that investments be made in the sole interest of the taxpayer. Additionally, these bills would require the Treasurer's investment evaluations be conducted based on factors having an actual material effect on the financial risk or return of an investment and based on appropriate practices that are consistent with investment objectives and funding policies. The bills also restricted the Treasurer from engaging in ESG practices by prohibiting the Treasurer from promoting nonpecuniary social goals.

Further, SB 1139 and SB 1500 establish, with regard to retirement and investment plans maintained by the state and its political subdivisions, that fiduciaries must discharge their duties solely in the interest of the participants and beneficiaries of the plans and for the exclusive purpose of providing pecuniary benefits to the participants and their beneficiaries, defraying costs of administering plans and earning a return on their investments. Fiduciaries would also be required to take into account only pecuniary factors when evaluating an investment.

The provisions of SB 1139 and SB 1500 serve to protect the taxpayer dollar from undue influence and risk imposed by the misinformed and nonsensical practices of ESG investing. ESG investing is politically driven, rather than financially driven, and discriminatorily prioritizes the liberal agenda. ESG is not good financial policy and is not what is best for our state.

With her veto of SB 1500, Governor Hobbs demonstrates that she is committed to allowing discriminatory practices and political motivations to influence our state's long-term financial future and the financial futures of those who have dedicated their lives to public service.

Senate Republicans will always protect the freedoms of businesses, investors and consumers to make decisions that are financially sound and that reflect their true will. This is why we introduced and passed **SB 1138 (business; discrimination prohibition; social criteria)**, which prohibits a financial institution, insurer or a credit reporting agency from discriminating against a person based on their political affiliation, ESG score or other values-based criteria. The practice of discrimination based on ESG scores and other political considerations not only threatens the rights, privileges, peace, and general welfare of our state and our citizens, it threatens the institutions and foundation of a free democratic state. While SB 1138 did not ultimately land on the Governor's desk, our caucus is committed to continuing to take action to create a more competitive, business-friendly Arizona and pursue legislation that promotes fair and free financial and economic policies

Late in 2022, local media reported two teachers at a Mohave County school were terminated after students and parents discovered easily accessible pornographic material posted online, some of which was produced in the classroom of one of those teachers. Unfortunately, and shockingly, current state law does not establish this as an illegal practice. Senate Republicans moved quickly, to protect children in our schools and to ensure their safety from exposure to sexual acts in Arizona classrooms, by introducing and passing **SB 1696 (sexually explicit materials; government; prohibition)**. This bill would have prohibited the state, a state agency, city, town or county, or their contractors, from exposing minors to sexually explicit materials.

Additionally, the bill would have precluded government property from being used as a site to film or facilitate sexually explicit acts. Any violations would have been classified as a class 5 felony. Our classrooms are supposed to provide safe spaces for our kids to learn in, not venues for the sexually explicit adult entertainment industry. Because the Governor does not prioritize the safety and innocence of our children attending public schools, she shamefully vetoed SB 1696. As a result, our children will remain under the threat of exposure to inappropriate sexual material in the classroom. With this veto, the Governor is encouraging the use of government resources for deplorable purposes rather than discouraging these practices from ever occurring.

JUDICIARY



FENTANYL

The fentanyl crisis continues to threaten our nation and our state. In an effort to fight back against those bringing this deadly drug into our communities, Senate Republicans supported bills targeting those illegally manufacturing and distributing fentanyl.

SB 1027 (carfentanil; fentanyl; minors; penalties) would have established a minimum prison sentence for those involved in the most harmful activities surrounding fentanyl, carfentanil, and heroin. Specifically, the minimum sentences in SB 1027 would have applied if the drug involved was fentanyl, carfentanil, or heroin and the person was convicted of possessing for sale, manufacturing, administering the drug to another person, transporting for sale, importing into Arizona, or selling these drugs. The bill would have also made it a class 2 felony, punishable as a dangerous crime against children, when knowingly manufacturing fentanyl under any circumstances which cause physical injury to a minor under the age of 15. While this bill passed both the Senate and the House with bipartisan support, the Governor irresponsibly vetoed this important bill.

HB 2802 (fentanyl sales; manufacture; sentencing; testing) specifically addressed the dramatic increase of single pills containing deadly amounts of fentanyl. This bill would have established minimum sentences for persons convicted of crimes relating to the sale or manufacturing of any single pill containing two or more milligrams of fentanyl—a potentially lethal dose. The bill would have also permitted the establishment of drug-free neighborhood zones near medical facilities and public parks with increased penalties for persons convicted of selling fentanyl in these zones. Despite the growing fentanyl crisis in our State, the Governor recklessly vetoed this bill as well, asserting this legislation would have criminalized substance abuse disorder. However, HB 2802 did not add any penalties for merely possessing, and her veto letter failed to acknowledge the actual problems this legislation would have addressed.

Additionally, the Senate considered **HB 2226 (appropriation; fentanyl prosecution; testing; fund)**, and through the budget process, established the Fentanyl Prosecution, Diversion and Testing fund. The Legislature appropriated \$3 million to the fund, which the Department of Public Safety will administer to county attorneys, county sheriffs and courts for costs related to prosecutions involving fentanyl. Funding will also go to law enforcement agencies for fentanyl testing and fentanyl diversion activities.



CRIME CRACKDOWN & CRIMINAL JUSTICE REFORM

Law enforcement officers and their families make tremendous sacrifices for our communities. Senate Republicans voted in support of, and the Legislature enacted two bills this session to respond to attacks on law enforcement. Arizona statute already makes it an aggravated offense to assault a peace officer, but **HB 2478 (aggravated assault; law enforcement employees)** now makes it an aggravated offense to knowingly assault any law enforcement employee while engaged in their work duties. And **HB 2485 (ambush; police; sentencing enhancement)** increases an offender's sentence if convicted of aggravated assault against a peace officer, and if the offender is found to have lain in wait for or ambushed the peace officer.

Arizona law currently prohibits willfully fleeing from or attempting to elude a pursuing law enforcement vehicle and punishes that offense as a class 5 felony. However, law enforcement officers are currently seeing a dangerous trend where some drivers are not only merely trying to evade law enforcement, but they are also fleeing at high and reckless speeds that can put innocent lives in danger. Some are willing to do so because of the likelihood that they could plead down any charge to a misdemeanor offense. **SB 1309 (aggravated unlawful flight; law enforcement)**, as it passed out of the Senate, would have raised the penalty to a class 4 felony if a driver flees in a manner that recklessly endangers the life of another person. The bill would have raised the penalty to a class 2 felony if the offense resulted in serious physical injury, if the driver was transporting a minor under 15 years of age, or if the driver was under the influence. This bill passed the Senate and the House Judiciary Committee, but unfortunately failed on the House floor.

Those who carelessly drive under the influence and cause harm to others should be held accountable. Currently, the statute of limitations to prosecute someone for a driving under the influence misdemeanor is one year. However, accidents involving serious physical injury or death can often result in longer investigations. SB 1085 (time limitation; DUI prosecutions) increased the statute of limitations on those cases to two years, so prosecutors have the necessary time needed to properly charge individuals for these offenses.

The homeless crisis plaguing communities across Arizona is not only a public health issue for those living on the streets, but it also creates safety concerns for our citizens. Homeless encampments are increasingly filling city streets and communities. Murders, drug abuse, and sexual assaults are just some of the issues being reported in some homeless encampments, and the issues are spilling into areas where families, children and small businesses inhabit. In response to the lack of action from local governments, Senate Republicans passed multiple commonsense measures to address this problem. **SB 1413 (homeless encampment; removal)** would have required counties, cities and towns to provide the owner of a tent or similar structure in a homeless encampment with a 24-hour removal notice. After 24 hours, the county, city or town would have been required to remove the property and retain it for 14 days so that the owner may have an opportunity to retrieve it. Counties and municipalities would have also been required to clean the area. This bill passed out of the Legislature but was vetoed by Hobbs. Similarly, **SB 1024 (public rights-of-way; unlawful acts)** would have prohibited a person from maintaining any type of tent or other enclosure on public streets, sidewalks and other rights of ways, but the bill died in the House.

HB 2427 (domestic violence; pregnant victim; sentencing) was aimed at holding accountable those who abuse pregnant women. The bill would have added to the aggravated assault statute the assault of a pregnant woman committed as an act of domestic violence. The Governor's veto record reveals she does not support protecting life in a mother's womb, and as a result, she vetoed this bill as well.

In another effort to promote public safety, **SB 1262 (probation; felony violation; rearrest)** would have allowed the rearrest of an individual who is already serving a term of probation, when that individual is charged with a new felony offense. Despite this bill's goal of keeping our communities safe, the Governor also vetoed this bill.

The Department of Corrections can currently contract with entities to provide eligible inmates with three months of transition services upon release into the community. The goal of these services is to help inmates reintegrate into society and reduce recidivism. Through **SB 1091 (prisoners; transition services; noncontracted entities)**, Senate Republicans sought to give these inmates additional options of where to receive these services, given that many inmates have already formed relationships with nonprofits while still in the prison system. The bill included an extensive list of requirements that these entities would need to comply with in order to make sure that individuals receiving services are provided with the highest level of aid. Despite this bill's overwhelming bipartisan support, the Governor ignorantly vetoed the bill. When the Senate brought the bill back to the floor for a veto override, six Democrat Senators changed their vote as a means to save the Governor from embarrassment and effectively blocked this bill from passing.

In an effort to curb recidivism, Arizona currently encourages probationers to engage in treatment and work towards accomplishing the goals outlined in their case plan. In exchange for meeting these goals, probationers can receive "earned time credit" to reduce their time on probation. **HB 2055 (probation; work time credits; reporting)** adds an additional way in which probationers can earn credit to reduce the length of their probationary sentence. This bill, which received unanimous support, allows probationers to receive "work time credit" for every thirty days that the probationer is engaged in employment and works towards the goals of their case plan. The objective of these programs is to set offenders on the right track and help integrate them back into society to contribute in a productive and meaningful way.



After numerous nationwide reports of attempts to normalize the exposure of children to sexualized adult performances, Senate Republicans passed multiple measures aimed at protecting Arizona's children from this alarming trend. **SB 1028 (adult cabaret performances; prohibited locations)** would have made it a class 1 misdemeanor for a person to engage in a sexually explicit performance on public property, or in a location where the person knows that the performance could be viewed by a minor. **SB 1698 (unlawful exposure; minors; sentencing; reporting)** was aimed at preventing children from being exposed to adult-oriented performances and businesses. The bill would have established "unlawful exposure to an adult-oriented performance or adult-oriented business" as a class 4 felony. Similarly, **SB 1030 (sexually explicit performances; regulation)** sought to classify establishments that conduct any sexually explicit performances as adult-oriented businesses. While these bills all would have increased protection for our State's children, the Governor vetoed every bill.

Victims of sexual assault or sexual violence, especially as children, should never have to worry that the offender who committed those acts will be allowed to contact them in the future. However, up until last year, once offenders served their time and were completely off probation, there wasn't a mechanism available to prevent an offender from contacting a victim down the road. That's why legislators enacted a law last year (SB 1653) that now provides victims with the option of a permanent lifetime injunction against contact from an offender. This year, Senate Republicans strengthened those provisions through **SB 1582 (lifetime injunction; petition; procedures)** by clarifying that the victim can request this injunction at any time and not only at the time of sentencing. The bill also made clear that this lifetime injunction is not dissolved if the offender later has a conviction set aside. Senate Republicans remain committed to standing up for crime victims and their families.

Many of the worst offenders who commit sex crimes against women and children are publicly listed on the Department of Public Safety's internet sex registration database. However, not all registered sex offenders are listed on this searchable website. **SB 1583 (internet sex offender website; offenses)** would have closed a loophole in state law, which currently only requires some offenders who have been convicted of sex crimes against children to be listed on the sex offender website if they are considered at high risk of reoffending.

Those who are considered least likely to reoffend, also known as level one offenders, may not be required to be listed on this website. While the bill would have made Arizona safer by offering knowledge to the public about who is living in and around communities, the Governor recklessly vetoed the bill.

Similarly, without all registered sex offenders listed on the website, and with the Department of Public Safety only required to notify "area schools" of the residences of some offenders, **SB 1253 (sex offender registration; school notification)** sought to close this loophole. SB 1253 would have required a registered sex offender, who is the legal guardian of a child in a public or private school, to notify the school of the person's registration status. This bill was especially important since not all Arizona children attend schools within the district where they live. Despite this bill's clear purpose of protecting Arizona's children, the Governor vetoed this bill. In her veto letter, Hobbs ignorantly failed to correctly identify the current state of the law or the purpose of this bill, which is truly a pitiful attempt at governance.

HB 2169 (child sex doll; exploitation) creates an offense for disturbing behavior recently encountered by county prosecutors. This bill gives prosecutors the ability to bring charges against individuals in possession of these dolls strongly resembling actual children. This bill received unanimous support in both chambers and was signed by the Governor.



COURTS & GOVERNMENT

The state has documented a disturbing trend over the last few years where people are having their homes sold out from underneath them through deed fraud. As a result, a new safeguard has been established to protect Arizona homeowners and their properties. **SB 1110 (recorded documents; property; notification)** requires county recorders to provide a system for notifying a person or entity when any document is recorded in which the person or entity is named a party to that instrument. Individuals or entities can opt into these systems, which will provide prompt notice of flagged recordings through email or text.

As the digital age advances the convenience of many routine tasks, Senate Republicans are pushing legislation to allow our citizens to seize the benefits of technology. In 2018, the Legislature amended statutes to allow for wills to be signed and stored electronically. This year, the Legislature enacted **HB 2197 (wills; electronic signatures; requirements)**, which builds on that concept by allowing witnesses to be electronically present with the testator through any real-time technology.

The Legislature enacted **SB 1291 (conservatorship; guardianship; policies; procedures)** to improve transparency in adult guardianship and conservatorship proceedings and to provide a statutory process for supported decision-making agreements. The bill outlines measures that must be taken, including by attorneys, to ensure that individuals involved in guardianship and conservatorship hearings are adequately informed about their rights. The bill also provides increased protection relating to contact between individuals subject to guardianship and those who have significant relationships with those individuals. Additionally, the bill specifies where a clear and convincing evidence standard is required. In addition to these increased protections in guardianship and conservatorship proceedings, the bill also adds statutes that detail the process for supported decision-making agreements, which are meant to allow adult individuals with disabilities to enter into agreements to receive support in making informed decisions and choices about certain aspects of the individual's daily life.

SB 1038 (probate advisory panel; establishment) establishes a Probate Advisory Panel to study our state's probate system and look for more ways to improve the adult guardianship and conservatorship laws. The panel will report its findings and recommendations annually to the Governor, the Legislature and the Supreme Court.

Each county currently maintains local foster care review boards that evaluate information about children in foster care and ensure there are adequate efforts made toward the placement of those children in permanent homes. **HB 2213 (case management; remote access; requirements)** updates and streamlines the system by which the local foster care review boards obtain the information necessary for their review from the Department of Child Safety. This bill received unanimous support in both chambers and was signed into law.

ELECTIONS

2023 was an important year for election integrity at the Arizona State Legislature. Senate Republicans passed legislation focused on ensuring transparency, security, and efficiency in our elections process. During a time of extreme political polarization, Senate Republicans were able to pass bipartisan election reforms aimed at restoring confidence and safeguarding the integrity of our elections. It is unfortunate Governor Hobbs has chosen to veto the majority of these bills, thereby ignoring the will of the voters as expressed through their Legislature. Senate Republicans are determined to enact reforms to our process that secure our elections. Work will continue next session to ensure that voter confidence is restored.



EARLY VOTING

The voters of Arizona have many options to cast their ballot, including early voting. For Arizonans who choose to receive their ballot by mail but wish to tabulate that mail ballot on-site, there is currently no option to do so. To help these voters cast their ballots in person, Senate Republicans passed **SB 1597 (early ballot on-site tabulation; requirement)**, requiring the two largest counties to provide one voting location per legislative district to permit on-site tabulation of early ballots. Another measure to both increase voter options and speed up election results was passed in bill **SB 1105 (early ballots; election day tabulation)**, requiring the six counties that offer on-site tabulation of ballots on election day to offer on-site tabulation of early (mail) ballots on election day as well. Despite public comments lauding ‘choice’, Governor Hobbs vetoed both these measures.



TIMELY RESULT REPORTING

Arizona voters expect timely results reporting, and Senate Republicans answered the call. **SB 1595 (early ballots; identification; tabulation)** required any voter dropping off a mail-in ballot in-person to do so by 7:00 p.m. the Friday before election day. Under this legislation, voters with a mail-in ballot must show valid identification to drop it off at polling place. Another important bipartisan bill, **SB 1095 (early ballots; identification; tabulation)**, required a notice on mail-in ballot affidavit envelopes informing voters that delaying the return of the ballot leads to delayed results reporting. Sadly, the Governor again vetoed this bipartisan effort to increase confidence and efficiency. When Arizonans and people around the world are waiting for election results for weeks following the 2024 election, it will be a direct result of the Governor's failure to sign these measures into law.



TRANSPARENCY

As the voters of Arizona reached out to their Legislators seeking transparency, Governor Hobbs again silenced those voices. Among the most shameful abrogation of her duty was the veto of **SB 1324/ HB 2560 (images; voter lists; records; contest)**. A true landmark for election transparency, this bill was passed by Senate Republicans with bipartisan support. It required the Secretary of State to establish a secure electronic portal through which the public may download specific data. That data included a list of all eligible voters, both active and inactive, 10 days before the election. Additionally, within 48 hours of an election, a list of voters who cast a ballot, as well as the Cast Vote Record in a sortable format and unaltered images of all ballots used in tabulation.

Other transparency bills passed by Senate Republicans and vetoed by an out of touch Executive include **SB 1332 (cast vote record; public records)**, making the Cast Vote Record a public record. **SB 1213 (joint legislative audit committee; procedures manual)** would have allowed a Legislative Audit Committee to review the elections procedure manual. **SB 1175 (registrations; observers; counting procedures; verification)** would have allowed observers to be permitted at third party vendors and at early voting, as well as permitting one political party to fill all hand count slots if the other political party submitted no names. Additionally, this bill required early ballot tracking in outlying counties.



SECURING ELECTIONS/PREVENTING CONFLICTS OF INTEREST

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OBSERVERS/HAND COUNTS/EQUIPMENT

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SECURING ELECTIONS/PREVENTING CONFLICTS OF INTEREST

An important aspect of voter confidence is the surety that those officials running our elections are not subject to a conflict of interest. Senate Republicans passed bipartisan bills to ensure no such conflict exists, but again, the Governor rejected these commonsense reforms by vetoing bipartisan legislation. **SB 1180 (voter registrations; payment prohibited)** would have prohibited payment for each voter registration collected. Furthermore, it's common sense for election officials who conduct significant activities in the election process to be prohibited from serving on a Political Action Committee (PAC) while conducting an election. **SB 1264 (officials; political action committee prohibition)** was another bipartisan reform preventing this clear conflict of interest. **SB 1066 (election mailings; third-party disclosures)** was another bill aimed at ensuring transparency by requiring third parties issuing mailings that look like official election mail to add a statement saying they are NOT official election mail. This piece of legislation passed with bipartisan support and was another piece of meaningful reform rejected by a Governor determined to obstruct transparency.

Another important part of securing our elections is ensuring the public is aware of the prohibitions on ballot harvesting. **SB 1273 (early ballot delivery; instruction requirements)** adds instructions to all mail-in ballots informing voters of what is lawful and what is prohibited under the AZ Ballot Harvesting Ban. This bill passed with bipartisan support and was one of the very few pieces of election reform signed by the Governor.



OBSERVERS/HAND COUNTS/EQUIPMENT

A key part of election transparency and security is the presence of election observers. Senate Republicans passed **SB 1598 (federal candidates; observers; elections)** to codify into law the rights of observers and permitting federal campaigns to send observers to central processing. **SB 1471 (ballot tabulation; hand count comparison)** would have permitted counties to conduct an exercise comparing the accuracy and time constraints of hand counts and tabulation in processing ballot returns. **SB 1074 (tabulating equipment; standards; source codes)** would have required all tabulation equipment used in state or federal elections to contain US made components in compliance with U.S. Department of Defense (DOD) standards, with all source codes to be held by the auditor general.

These bills were vetoed in an apparent disregard for transparency and security. Senate Republicans also passed **SCR 1037 (elections; systems; equipment)**, restating our objective that tabulation equipment contains U.S.-made components compliant with DOD standards in federal elections, that ballot images and system log files be made available to the public on a secure website, and that all source code be made available to the public. Secretary of State Fontes indicated his intent to disregard this Senate Concurrent Resolution.



BALLOT MEASURES

While **SB 1265 (voting; elections; tally; prohibition)** was passed by Senate Republicans to prohibit ranked choice voting and was subsequently vetoed, Senate Republicans helped place **HCR 2033 (primary elections; eligible candidates)** on the ballot. As a referendum, this measure does not require the Governor's signature. If approved by voters, no jurisdiction will be permitted to utilize ranked choice voting. Ranked choice voting is an overly confusing, opaque process that requires voters to rank every candidate in every contest. If no candidate passes a majority on the first round of tabulation (50% +1), the first-choice votes are thrown out, the lowest ranked candidate is removed, and a second round of tabulation is conducted to determine if the candidate ranked as the number two choice has achieved a majority. Multiple rounds of tabulation continue with votes being thrown out and candidates being removed until a candidate achieves a majority. In many cases the candidate with the most votes in the first round is NOT ultimately the winner of the election. Ranked-choice voting is confusing for our elderly population, young adults, first-time voters and voters for whom English is a second language. The routine post-election hand count conducted in Arizona is not possible in a ranked choice voting election. While voters suffer from 'ballot exhaustion' when voting for just one of two candidates in each contest, ranked choice voting would require ranking EVERY candidate, leading to many more voters leaving races blank and having their votes and their voices silenced. At a time when voters are asking for increased transparency, ranked choice voting takes Arizona in the opposite direction. The voters will be heard with this measure on the 2024 ballot.

COMMERCE

A major goal within our Majority Plan established at the beginning of session was to cut the tax on the rent payments our tenants make on a monthly basis, in an effort to provide broad-based relief for taxpayers struggling to make ends meet, struggling to keep a roof over their heads, struggling to put food on the table, and are living paycheck to paycheck under the weight of historic inflation. While the first attempt at eliminating the rental tax passed out of the Legislature with solely Republican support and was eventually vetoed by the Governor, Senate Republicans remained committed and passed **SB 1131 (residential leases; municipal tax exemption)** with help from several of our colleagues across the aisle. Charging a rental tax is bad tax policy. In fact, Arizona is one of only two states in the country currently allowing a rental tax on tenants. If you're a renter in most cities within Arizona, you currently pay a designated tax to the city in which you live. This tax can cost a family as much as \$200 per month. The government already collects property tax on the property and should not also charge the tenant for that same property. It's unfair to require tenants to do so every time they make their rent payments. While cities and towns are handing out millions in federal dollars to help prevent struggling renters from sleeping in their cars or being out on the streets, they're also collecting record revenues. Despite the pushback from bureaucrats at the local level, eliminating this tax will not negatively impact funding for cities and towns because these governments are financially strong and flush with cash. From fiscal years 2019 to 2023, state-shared revenues from both sales and income taxes combined grew \$733 million, or 59%. This increase is on top of any sales taxes or property taxes individually levied by each city. Between FY 2024 and FY 2025, those shared revenues are expected to grow by an additional \$389 million. The takeaway: cities and towns will be receiving more money in state-shared revenues to offset these tax cuts. This legislation will take effect on January 1, 2025. This delayed implementation at the request of Democrats will allow cities and towns the leeway they desire to adapt to this tax reform.

Arizona's Unemployment Insurance (UI) Program is for the benefit of those without employment through no fault of their own. However, there was upwards of \$300 million worth of fraudulent UI benefits paid out during the COVID-19 pandemic. **HB 2108 (unemployment; requirements; disqualifications; shared work)** aimed to prevent future efforts to extort the system.

The bill modified the eligibility requirements and required the claim to be cross-checked against various data sets to confirm the application for benefits is authentic and specifies reasons for disqualification from benefits. The bill specified disqualification from benefits could occur if an individual refuses to accept suitable work or fails to actively seek and apply for work. Senate Republicans are confident these modifications would ensure the protection and stability of the state's employment safety net for those individuals needing it most. Unfortunately, the Governor vetoed this bill.

Sweet or savory? Home-cooked foods are often a symbol of celebration and a way to share culture while connecting with community. They're also an outlet for families to make an honest living or create supplemental income, especially during this period of crippling inflation. However, regulatory hurdles significantly hinder cottage food producers because current state law only allows for the sale of shelf-stable or nonperishable foods. Tamales, salsa, and pozole are just some of the local favorites that require refrigeration and are illegal to sell. **HB 2509 (food preparation; sale; cottage food)** would have expanded the types of foods cottage food producers could sell while also protecting consumers. The bill would have allowed for foods that must be temperature controlled to be sold by the cottage food industry, with added requirements to list all ingredients and the date of production. Cottage food producers are oftentimes small businesses operating out of homes. The bill would have cut barriers to entrepreneurship, provided greater freedom for businesses, and fostered community connection. Senate Republicans support small businesses, as they are the heart and soul of many Arizona communities. However, Governor Hobbs recklessly vetoed the bill after it garnered support from a supermajority of both chambers, stating that the legislation "would increase the risk of foodborne illness." During an attempt to override Governor Hobbs' veto, Democrats switched their votes at the Governor's directive and failed to provide the necessary support to pass the bill, all in an effort to protect Hobbs from embarrassment.

Ping! Ping! Ping! Arizonans are no strangers to text message solicitation schemes. Senate Republicans enthusiastically supported **HB 2498 (do-not-call list; text messages)**, which further prohibits a solicitor from sending an outbound text message to a phone number on the National Do-Not-Call Registry. The National Do-Not-Call Registry was a result of the Do-Not-Call Implementation Act of 2003 by the Federal Trade Commission (FTC) to halt telephone solicitation.

Arizona has seen an upsurge of home-based businesses. However, current law only allows these operations if the business meets certain criteria, which significantly restricts the ability of small businesses to function without regulatory restrictions. For some Arizona families, this is a primary source of income. **SB 1162 (home-based businesses; restrictions; prohibition)** aimed to get government out of the way of business and balance the needs of entrepreneurs and neighborhoods. The bill required a municipality to allow a no-impact home-based business as a use-by-right. It also prohibited the municipality from requiring a person to apply for, register or obtain a permit or license or other type of prior approval to operate a no-impact home-based business. A no-impact business simply means you would never know a business in operation. The Governor vetoed the bill and stated it did not strike the right balance between small businesses and neighborhoods. However, the bill did not preempt local zoning laws and allowed municipalities to regulate, should a business become an impact business. Senate Republicans believe property owners should have the right to operate a home-based business if it does not disturb the neighborhood.

Senate Republicans support second chances for those who have paid their debts to society. However, proof of identification has proven to be a major challenge for many leaving the prison system. The first 48 hours after release are critical for the success of these individuals. **SB 1290 (inmates; documentation; workforce reentry)** will provide these individuals with essential tools to help them reintegrate and become valuable members of the community. The bill requires the Arizona Department of Corrections, Rehabilitation and Reentry (ADCRR) to provide an inmate with relevant documentation to assist the inmate in obtaining employment after release. These essential tools include proof of identification in the form of a driver's license or a valid nonoperating identification license, a resume that includes any trade proficiency or certification, a work record and interview preparation. We believe these resources will help those who are released after serving their sentences properly assimilate and succeed in life moving forward.

Arizona has seen a drastic decline in the accessibility of veterinary services throughout the state, and pet owners continue to voice their frustration with long wait times at their local veterinary clinic. In 2020, when in-person veterinary services were almost unavailable due to the COVID-19 pandemic, veterinary telemedicine services became the new standard. These services were vital to the health and safety of our furry friends. Veterinarians and pet owners saw great success through telemedicine services, and Senate Republicans want to continue to provide the same standard of care and accessibility to Arizonans.

SB 1053 (veterinary medicine; electronic means) allows an Arizona-licensed or nonresident-permitted veterinarian to provide care through audio-visual communications. The bill further specifies that a veterinarian may issue prescriptions for up to 14 days after the establishment of a client-patient relationship. Senate Republicans want to mitigate recent challenges due to the shortage of veterinarians and ensure that pet patients receive exceptional care.

Arizona's workforce is rich with individuals who possess various skills and expertise that can enhance our business sector, yet these individuals are often forgotten due to their lack of a postsecondary degree. **HB 2225 (ADOA; alternative routes applicants)** directs the Arizona Department of Administration (ADOA) to evaluate all state employee positions and determine those which would be suitable for applicants that do not have a postsecondary degree. Senate Republicans recognize applicants who are Skilled Through Alternative Routes (STARS) have the skills and expertise to perform higher wage jobs and should not be discredited on the sole requirement of a postsecondary degree. In lieu of a postsecondary degree, the employer will look at other qualifications such as relevant work experience, military service, community college education and training. Senate Republicans are confident this will help keep Arizona's workforce competitive in the current market, especially as micro credentialing and other employer specific certifications become more prominent. This commonsense measure will provide greater employment opportunities for Arizonans.

Arizona is proud to have one of the most vibrant and prosperous job markets and economies in the country. In 2019, Arizona became the first state to pass universal reciprocity. This historical legislation makes it easier for people who move to Arizona with a professional license from another state to promptly obtain a job in the same profession here. Senate Republicans believe in getting government out of the way in an effort to get people to work. **HB 2049 (cosmetology licensure compact)** advances this mission. The bill adopts the Cosmetology Licensure Compact and allows cosmetologists to obtain a multistate license to practice in all states that join the Compact, rather than obtain a license in every state in which they want to practice. **HB 2199 (cosmetology instructors)** streamlines the cosmetology instructor licensure process because some states do not license instructors. This will allow a cosmetologist, aesthetician, nail technician or hairstylist with at least one year of instructor experience in another state or country to receive a license to teach in Arizona. These measures will grow Arizona's workforce and help provide Arizonans with an opportunity to contribute to our already robust state economy.

Mobile homes have historically been an affordable option for many Arizonans. However, mobile home parks have begun to shut down and require tenants to relocate their homes or abandon their mobile home if it is too old or frail to relocate. Currently, mobile home park tenants have access to the Mobile Home Relocation Fund, but these funds only cover \$7,500 for single-wide homes and \$12,500 for double-wide homes. This is often not enough to cover the costs of moving a mobile home. To completely abandon the property, which may be the case if the mobile home isn't sturdy enough to withstand the move, tenants only receive 25% of those initial funds. To solve this issue and provide meaningful relief to Arizona families, **HB 2381 (mobile homes; recreational vehicles; fund)** nearly doubles the relocation funds for single-wide and double-wide mobile home park tenants. This bill also increases the abandonment reimbursement to 40%, which will provide Arizona families the funds to find new housing. The measure comes at a time when some mobile home park tenants find themselves in an impossible situation as they face imminent displacement. Senate Republicans will continue to protect and provide housing relief to Arizona families in need.

Arizona's Unemployment Insurance (UI) Program is for the benefit of those without employment through no fault of their own. When an employee is eligible for benefits, the UI Trust Fund pays the benefits from Arizona's unemployment tax, which is paid for by employers. **SB 1167 (unemployment insurance; benefit amounts; definitions)** modified the duration of benefit awards to a schedule from 12 to 20 weeks, based on a 0.5% incremental increase. By shortening the timeframe that eligible individuals can receive benefits, it incentivizes them to return to the workforce sooner and further strengthens the economy. Arizona's current UI Program allots eligible individuals a weekly benefit amount for 24 or 26 weeks. However, this schedule only perpetuates the labor shortage and disincentives individuals to return to work. Senate Republicans continue to foster a strong and prosperous workforce, while also ensuring the state's employment safety net remains available for individuals terminated by no fault of their own. The bill passed out of the Senate on a party-line vote but died in the House.

Currently in Arizona, cosmetologists and barbers have multiple pathways to licensure. One of which is an apprenticeship program, which allows for a licensed instructor to provide guidance and on the job training for students who already meet the educational cosmetology requirements but need training hours to receive their license in Arizona. This apprenticeship program has flourished in our state and has allowed more students to get their license, get paid while obtaining their hours, and to do so while under the guidance of a licensed cosmetologist teacher.

HB 2525 (barbering; cosmetology; salons; unlicensed employees) follows the same structure as the cosmetology apprenticeship program and expands the program to aestheticians, nail technologists, and hairstylists. Senate Republicans proudly passed this bill because it gives more opportunities for students to get paid while getting their license and expands Arizona's workforce through meaningful on-the-job training.

To provide Arizona families with relief from astronomical prices on our most basic necessities, Senate Republicans were proud to champion two tax reforms on food and rent. **SB 1063 (food; municipal tax; exemption)** would eliminate the sales tax consumers pay on groceries and **SB 1184 (municipal tax exemption; residential leases)** would eliminate the tax tenants pay on rent for a home. These measures would allow families to save hundreds of dollars annually to use towards other essentials, without creating a negative impact on cities or towns. Senate Republicans aim to mitigate the insufferable damage inflation and surging gas prices continue to have on our citizens. However, Governor Hobbs negligently gave both measures the boot. As Arizona families continue to search for relief, with little to no help from the Biden Administration, Senate Republicans maintain a steadfast and aggressive agenda to bring meaningful tax cuts to Arizona families.

The Board of Funeral Directors and Embalmers was due to terminate on July 1, 2022. After several unfavorable reviews, the Board was given a brief nine-month continuation. Without this life vest, the Board would have only had six months before closing up shop and essentially leaving the industry in limbo, without any regulation or oversight. **SB 1210 (funeral services; DHS; advisory committee)** officially terminates the Arizona State Board of Funeral Directors and Embalmers and transfers the powers and duties of the Board to the Arizona Department of Health Services (DHS). The bill takes meaningful steps to lessen the burden on the industry and reduces the steps for entry into the profession. For example, this legislation removes the requirement that an intern be licensed. While the legislation does away with the Board, it also creates an advisory committee for the Director to collaborate with regarding industry best practices. Senate Republicans support this commonsense policy that achieves governmental deregulation while providing assurance to the industry and DHS. This bill passed out of the Senate with nearly unanimous support and was signed into law with an emergency clause.

FINANCE



TAX ADMINISTRATION

Senate Republicans advanced many measures this session to simplify tax law in an effort to provide better clarity and protections for our Arizona taxpayers.

Each year, the Legislature must actively choose to conform the State's tax code to the federal tax code. Doing so simplifies the process for Arizona taxpayers, as the starting point for Arizona taxpayers is their federal return. **SB 1171 (conformity; internal revenue code)**, which passed in early March before the filing season, provided this clarification to taxpayers for this year.

Generally, property in Arizona and business transactions are subject to taxation unless specifically exempted through the Constitution, or when permitted, through state law. For those organizations that are exempt – typically charitable organizations, nonprofit organizations, and certain healthcare institutions – current law requires annual certifications to the Department of Revenue even if the organizational status or mission of the organization has not changed. **SB 1230 (tax exemptions; affidavit)** will change that annual process moving forward and only require an initial certification to the Department so that these organizations do not have to annually fill out these forms, potentially jeopardizing their tax-exempt status due to a clerical error.

Senate Republicans are constantly looking for ways to help our citizens struggling from crushing inflation caused by Democrats at the federal level. **SB 1260 (small businesses; income tax; rate)** lowers the tax rate for small businesses to 2.5% in the calendar year 2023, which is two years ahead of schedule. Back in 2021, the Arizona Legislature created a new tax structure for small businesses in our state. It established the tax rate for small businesses at 3.5% and was scheduled to drop to 2.5% by calendar year 2025 to align with the new single rate of 2.5% for individual income taxes. Last year, the individual income tax was lowered to 2.5% beginning in calendar year 2023 because State revenues exceeded specified revenue targets.

However, unlike the individual income tax, the small business tax was not triggered by specific revenue growth to fall to 2.5% before 2025. Entrepreneurs shouldn't have to wait for lower taxes when the revenues are available now to provide this relief, and we're happy we were able to expedite the reduction.

Current statute limits the amount of General Obligation debt a fire district can service, but it does not limit the amount a fire district can send to voters for approval. Recently, a fire district sought and received approval for bonds five times higher than the amount the fire district would otherwise be able to service annually, generating property tax increases in the hundreds and thousands of dollars for taxpayers. **SB 1172 (fire district bonding; limitation)** will prevent this large discrepancy in what a district can ask for compared to what it can actually pay for by limiting the amount a fire district can get approval for to 120% of a district's debt capacity.

Student Tuition Organizations (STOs) have been providing parents a method to exercise their choice in their child's education for more than two decades. In 2012, the Legislature created an additional tax credit for STO contributions to help pay for kids who meet specified criteria, including having attended a public school in the prior year. Known as "switchers", the credit itself is only available to taxpayers if a taxpayer contributes the full amount to the original STO credit (\$655 for individuals and \$1,308 for married filing jointly). **SB 1243 (STOs; individual income tax credits)** would have eliminated the switcher credit and provided a corresponding increase to the original credit, so that no student would be burdened by the limitations on the switcher credit. However, the Governor vetoed this bill because she doesn't support Arizona families choosing the best schools that fit their children's needs.



PENSION

The State's pension systems are constantly responding to changes in the regulatory environment, member preferences, and the market at large. Senate Republicans advanced one such measure, **SB 1173 (public retirement systems; plan election)**, which provides various clarifications in law for employers, the system, and members. Senate Republicans also supported five House bills that make similar clarifying changes to the Public Safety Personnel Retirement System and the Arizona State Retirement System.



OTHER FINANCE ISSUES

Blockchain technology is a present and growing reality. While commonly associated with virtual currency, its application goes far beyond. In 2018, the Legislature preempted local cities and counties from regulating this emerging and innovative technology out of existence. **SB 1236 (blockchain technology; tax; fee; prohibition)** would have extended that preemption to the imposition of any tax or fee on the use of this technology. Ultimately, it was vetoed by the Governor.

New business formation is a core component that drives Arizona's economy. Removing barriers to business formation and encouraging the State to contract with small businesses help foster growth. **SB 1559 (businesses; fees; income tax reduction)** would have cleared some of those barriers by exempting new businesses being formed in state from initial fees imposed by the Arizona Corporation Commission and the Secretary of State's Office. Furthermore, the bill would have required the Arizona Department of Administration, the primary entity for vetting state contracts, to review its current practices to reduce barriers of entry for new businesses to obtain state contracts. Unfortunately, SB 1559 died in the House.

LEGAL INTERVENTION

Shortly after Kris Mayes was sworn in as Arizona's Attorney General, she began recklessly changing litigation positions in several pending lawsuits in which the state is involved in. She also refused to defend several state laws that protect our citizens. In absence of her carrying out her constitutional duties, the Legislature is now picking up the slack and taking a more active role in litigation to protect our laws. Some of these lawsuits are going before the highest levels of the judicial system like the Arizona Supreme Court and the United States Supreme Court. They cover issues ranging from fairness in sports and voter integrity to executive and federal overreach.



SAVE WOMEN'S SPORTS ACT

In *Doe v Horne*, the Senate intervened to defend the constitutionality of **SB 1165 (interscholastic; intramural athletics; biological sex)**, the "Save Women's Sports Act," against a lawsuit challenging the law. Across the country, females who tirelessly train to excel in their chosen sport face the grim reality that at any given moment, a male who claims to be a female and competes against them can rob them of a championship title, an athletic scholarship or other accolades. As a result, in 2022, Senate Republicans championed SB 1165, which bans biological males from competing in women's and girls' athletic events at Arizona public schools, colleges and universities. The law ensures young ladies are protected and provided with an even playing field in sports competition and athletic opportunities.

A year after SB 1165 was signed into law, plaintiffs represented by a radical activist organization filed a lawsuit to stop the law from being enforced in Arizona. Unfortunately, Attorney General Mayes will not defend the constitutionality of this law. To ensure this law and the protections it affords are vigorously defended, the Senate has moved to intervene to uphold the constitutionality of this law. In so doing, the Senate retained experts supporting the commonsense measures promoted in SB 1165. The experts demonstrate the scientific fact that males have significant competitive sports advantages over females. They debunk the claim that puberty blockers eliminate any male competitive advantages. They highlight the safety issues that arise for females when biological males compete with them. Additionally, they address the mental-health and medical-treatment issues at the heart of the plaintiffs' case.



DISCRIMINTORY ABORTIONS

In *Isaacson v. Mayes*, the Senate intervened in federal district court to defend the constitutionality of **SB 1457 (abortion; unborn child; genetic abnormality)**. This law was passed in 2021 and protects unborn children with nonlife-threatening genetic anomalies, like Down Syndrome, from discriminatory killing. A.R.S. § 13-3603.02(A). The law also requires that state laws be interpreted to acknowledge that unborn children share all rights and privileges available to other persons. A.R.S. § 1-219(A) (2021). After Attorney General Mayes, once again, refused to defend the law, the Senate enlisted the help of Alliance Defending Freedom to represent the Legislature in fighting to protect this pro-life law. Abortionists should not be able to end the lives of unborn babies simply because they have been diagnosed with conditions like Down syndrome.



ELECTION INTEGRITY

In *Mi Familia v. Fontes*, the Senate intervened to defend the constitutionality of two Arizona voting laws that were passed last year: **HB 2492 (voter registration; verification; citizenship)** and **HB 2243 (voter registration; state residency; cancellation)**. These laws require proof of citizenship and proof of residence in the state when registering to vote and require the county recorder to notify registrants who have not provided satisfactory proof of citizenship. Additionally, the county recorder must review the voter rolls each month and remove those who are not citizens. Once the Legislature learned Attorney General Mayes and Secretary of State Adrian Fontes were offering to stipulate to stay the enforcement of these voting laws pending a trial on the merits, the Senate intervened to protect election integrity.



EXECUTIVE OVERREACH

In *Price v Hobbs*, the Senate took action against Governor Hobbs, in concert with the Attorney General, who refused to carry out a warrant to execute Aaron Brian Gunches. Gunches was sentenced to death in the brutal 2002 murder case of Ted Price. The Senate filed an amicus brief with the Arizona Supreme Court to support the victim's sister, who submitted a petition for special action asking the court to direct the Governor to carry out the previously issued warrant to execute Gunches.

In the amicus brief, the Senate argued **(1)** the Governor's disregard of the warrant of execution violated separation of powers under Article 3 of the Arizona Constitution, **(2)** the Governor is not above the law and must comply with Court orders, **(3)** the Governor's refusal to carry out the death sentence violated the clemency power because the Legislature has placed limits on the Governor's constitutional authority to grant reprieves, commutations, and pardons, and **(4)** the Governor's unilateral decision to ignore the warrant of execution violated the crime victim's rights under the Victims' Bill of Rights in the Arizona Constitution.

The amicus brief in support of the crime victim demonstrates the Senate's commitment to the rule of law and respect for separation of powers. As stated in the amicus brief, "[t]he Governor's actions here set a dangerous precedent, opening a Pandora's Box and inviting litigation every time she disagrees with a jury's verdict, a court order, or other statutory mandates passed by the Legislature."



FEDERAL OVERREACH

In *Mayes v Biden*, the Senate fought back against the outrageous government overreach and infringement on personal freedoms displayed by the Biden Administration's issuance of an executive order forcing federal contractors and their employees to receive the experimental COVID-19 vaccine or risk losing their jobs. In September of 2021, President Biden issued an abusive executive order that restricts citizens' ability to choose whether or not to get the COVID-19 vaccine. Subsequently, former Attorney General Mark Brnovich challenged this rule and won at the U.S. District Court for Arizona, stopping Biden's vaccine mandate from being enforced in the State. The Biden Administration appealed the district court's decision to the Ninth Circuit Court of Appeals. Unfortunately, once Mayes became the Attorney General, she forfeited arguments that Attorney General Brnovich had prevailed on and attempted to narrow the scope of the injunction awarded to Arizona in the federal district court.

The Senate intervened to fully defend freedoms enacted by the State Legislature, which prevent COVID-19 vaccine mandates from dictating employment opportunities. The Biden Administration has made it clear that they are against any American who pushes back against the COVID-19 vaccine and will abuse their powers to force compliance as a condition for doing business with the federal government. The Legislature's intervention in this lawsuit against President Biden is critical in protecting the sovereignty of our state and the rights of all Arizonans.



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ARIZONA SENATE REPUBLICAN LEGISLATIVE HIGHLIGHTS 2023

56TH LEGISLATURE - FIRST REGULAR SESSION
PREPARED BY SENATE MAJORITY STAFF

"We passed the largest tax rebate in the history of Arizona and provided hundreds of millions of dollars in inflation relief to tenants with the rental tax cut. Additionally, the budget we passed was the first budget since 2017 where we have not added any new ongoing spending above formula increases. Senate Republicans also prevented the Governor and Democrat Legislators from advancing their extremist agenda. State-funded abortions and tuition-free college education for undocumented immigrants will not happen in Arizona. We did not get rid of state-funded border security resources to keep our communities safe. We also did not cap, cut or eliminate the historic universal school choice program that now has more than 50,000 participants. Needless to say, your Republican Majority at the Legislature will continue to fight to protect Arizona from turning into California at the hands of the radical left. This was truly a historic year for our caucus."

-Warren Petersen, Arizona Senate President



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