

Several high-profile bills came back to life at the Arizona Capitol this week as the House and Senate reached an agreement on debates that have slowly percolated behind the



scenes. Governor Ducey's priority bill to [expand gaming options](#) passed the House and Senate with bipartisan (but [not unanimous](#)) approval; he signed it into law shortly after it reached his desk, along with a [revised gaming compact](#).

The Governor also signed [a bill](#) to align state income tax laws with federal policies after it passed the House and Senate with unanimous support. The proposal will reduce state revenues by approximately [\\$625 million](#) over several years. Republicans said it's a good start on their tax cut plans, but Democrats said they think it should be the only tax cut the legislature enacts this year. Most Arizonans will not need to alter their taxes if they already filed them, but some who received unemployment compensation will have a chance to change their paperwork to remove those funds from their taxable income. (The state will provide more guidance on this soon.)

The Senate revived bills to [limit abortions](#) and create flexibility in schools' [instructional time](#) – proposals that had failed to pass last week. It also passed a controversial bill that authorizes courts to allow drivers to do community service instead of paying [traffic fines](#).

Bipartisan opposition to [HB 2248](#) and [SB 1175](#) – bills that would limit the Arizona Corporation Commission's authority over renewable energy policy – continued to block a vote on the proposals.

The House narrowly approved bills that increase parental permission requirements for some [sex education](#) topics and allow legislators to ask the Attorney General to opine on whether a [Presidential executive order](#) is constitutional. It failed to pass a bill that would have permitted [campaign signs](#) to stay up more than two weeks after an election.

Amidst the long debates on high-profile or controversial bills, legislators passed others without much disagreement. They voted to allow students to wear [tribal regalia or culturally significant objects](#) to graduation, make it easier to cancel a [gym membership](#), fine drivers who do not [move over](#) for emergency vehicles, teach [slow drivers](#) to drive on the right, give [theme parks](#) more time to consider using a state financing mechanism to come to Arizona, and require schools to give teachers more information about their [total compensation](#).

Arizona's Newest Laws

It wasn't just the high-profile bills signed into law this week: Governor Ducey signed a total of 45 new laws – including a ban on [private funding for elections](#), permission for businesses to ignore [mask mandates](#), annual recognition of Fred Korematsu Day of Civil Liberties and the Constitutions, and easier access to workers' compensation for [firefighters with cancer](#).

This week also brought the Governor's first veto of the year. He rejected a proposal that would give election officials, rather than the Arizona Department of Transportation, oversight of the [voter registration system](#) because he objected to the [increased role](#) of the Secretary of State. The veto surprised many legislators since the bill was not controversial and passed the House and Senate unanimously.

What's Next?

Tuesday marks the 100th day of the 2021 legislative session – the point at which the session should end, according to House and Senate rules. There's no urgency to wrap up this session, though, and the pace of progress is still very slow as legislators wait for signs of a state budget agreement.

Approximately 325 bills are still eligible for consideration this session; the House and Senate plan to slowly continue debate and voting on those while budget negotiations continue behind the scenes.

Budget Update: The Surplus Grows

Legislators have learned that state budgets are more difficult to negotiate when there's a revenue surplus. Excess money means every legislator has ideas about how it should be spent, and this year the surplus is larger than any current legislators has seen before.

Due to a strong economy and large deposits from federal aid funding, the estimated state budget surplus now totals \$1.2 billion.

The revenues are literally off the charts, according to the State Treasurer's Office. At a meeting of the Finance Advisory Committee this week, the Treasurer's staff had to revise graphs to include room to show the unusually high fund balances. The economists on the Committee marveled at the current revenues, especially since a year ago, those same panelists predicted a tough financial year as the economy reacted to the pandemic in Arizona.



Those economists are quick to warn that much of that surplus is “momentary money” – a one-time boost that can lead to future deficits if state leaders use it for ongoing commitments. Some of the fund balance will go toward the [tax conformity bill](#) enacted this week, and many other [tax cut](#) and spending proposals are still on the table for ongoing budget negotiations. The Finance Advisory Committee urged legislators to use a long-term perspective to craft a state budget proposal, rather than focusing on this year's stunning cash balance.

[Click here](#) for more details on the Finance Advisory Committee's economic data, and [click here](#) for the state's latest report on unemployment.

In the Elections

The Senate is [taking donations](#) to cover its audit of the 2020 election in Maricopa County, which got [a new home](#) this week.

[These organizations](#) want Senate President Karen Fann (R-Prescott) to stop the audit.

In the Courts

You can [share your thoughts](#) on the next Arizona Supreme Court Justice.

The Arizona Supreme Court said the legislature can't tell [charter cities](#) when to hold elections.

The Arizona Supreme Court will consider [Proposition 208](#) next week.

The Arizona Attorney General is turning to [environmental laws](#) to push for the construction of a border wall.

In the News

[These senators](#) support funding for advanced placement programs.

Rep. Regina Cobb (R-Kingman) is [still trying](#) to advance legislation that would change [app stores](#).

[This report](#) graded Arizona's infrastructure.

Congress is talking about [this Arizona college savings program](#).

The [Tucson Police Chief](#) got a new job.

The [opioid epidemic](#) is still a problem in Arizona.

Governor Ducey wants to send the Arizona National Guard [to the border](#).

The Arizona Department of Transportation wants your thoughts on their plan to spend \$1 billion on [freeway preservation projects](#).

The [2-1-1](#) hotline now speaks Spanish.

The [Arizona Corporation Commission](#) is considering whether summer heat should mean assured access to electricity.

The Arizona Department of Health Services launched [a new campaign](#) to encourage Arizonans to get the COVID-19 vaccine.

