



Issue 10 – March 20, 2020

Legislative Overview

Today is the 68th day of the legislative session. With the exception of a “skinny budget” and bills to ensure continued operations of state government, the legislature has suspended all committee action, debate and votes on all legislation for the foreseeable future. This comes after action last week taken by Governor Doug Ducey to declare a state of emergency in an effort to provide relief and guidance to Arizona agencies to reduce negative effects on public health officials and Arizonans from the COVID-19 pandemic. The state has also required all schools to remain closed through Friday, March 27.

Yesterday, the governor issued new executive orders requiring all bars, movie theatres and gyms to close and limiting restaurants in counties with confirmed COVID-19 cases to dine-out options only. The orders also waives ADOT requirements for driver license renewals for persons over 65 – they do not need to visit the Motor Vehicle Division office to renew their license; suspends all elective surgeries in the state; and activates the National Guard to assist grocery stores and food banks to restock shelves.

The legislature is still in session and working to adopt a “skinny budget” to provide state agencies baseline funding for the next fiscal year. Due to economic uncertainties related to COVID-19, the legislature is taking this option to see the impacts on revenue calculation for the next fiscal year before accommodating other budget priorities lawmakers have identified. The legislature was poised to pass this budget Thursday night, which included an additional \$50M in emergency funds for housing and homeless assistance, economic assistance for small business and monies for food banks. The Senate approved the budget deal, but the House opted to adjourn until Monday without voting on the package due to lack of an agreement on the Senate’s spending proposal. The legislature will reconvene on Monday afternoon to continue budget negotiations before its adoption, and will likely suspend activity for a few weeks due to the COVID-19 spread.

In the meantime, League staff has developed a website with information regarding the COVID-19 pandemic. This include links to emergency declarations adopted by cities and towns in Arizona, news articles, statements and information provided by private-sector partners, and important information developed by the Centers for Disease Control and Prevention. The site may be accessed at this [link](#) and is periodically updated as situations change.

Public School Closures & Unemployment Benefits

Last week the Legislature approved a \$55M measure for the state's response to the COVID-19 pandemic. This week legislators took up more specific measures related to school closures and unemployment compensation.

The House and Senate moved quickly to introduce and pass mirrored emergency measures sponsored by Speaker Bowers and President Fann to provide guidance to schools on expectations and funding during the mandated statewide closure announced by Governor Ducey and Superintendent Hoffman on Sunday, [March 15](#). HB 2910 and SB 1694 outline guidance for schools closed through March 29, and a contingency plan in case school closures go beyond March 29. School employees will continue to be paid during the closure period, and schools will have to provide education via alternative means to students if the closure goes beyond March 29. The measure is intended to provide flexibility for schools and ensure that students continue to learn during this period. The measures received bipartisan support and will be effective immediately upon the governor's signature.

Both chambers also introduced mirrored measures related to unemployment as a result of COVID-19 and declarations of emergency related to the disease. HB 2911 and SB 1694 allow the Department of Economic Security to ease eligibility requirements and strengthen access for unemployment insurance benefits for individuals and employers affected by COVID-19. Earlier this month, the U.S. Department of Labor gave new guidance to states regarding unemployment compensation arising from the pandemic, giving states the flexibility to determine standards for able, available and work search requirements (UIPL 10-20). The measure passed the Senate with unanimous approval, but has stalled in the House.

Legislative Budget

On Thursday both chambers began passing budget bills; the first bills passed by the House were HB 2902 and HB2903 related to K-12 education and higher education respectively. The Senate adopted the House versions of the bill and passed them along

to the governor. Meanwhile, Senate Republican leadership negotiated a deal with Senate Democratic leadership for an additional \$50M in assistance during the COVID-19 pandemic. However, in a surprising move, House Republican leadership indicated they were not in agreement with the deal brokered by the Senate and adjourned until Monday at 10 am.

At this point there is likely two options for moving forward on a budget: 1) the House will eventually agree to the Senate's spending plan and adopt the Senate version of the remaining budget bills, or 2) pass their own versions of the outstanding budget bills thereby forcing a conference committee with the Senate on the remaining bills. We will keep you posted next week as events change.

Utility Condemnation

HB 2499 eminent domain; existing contracts, sponsored by Representative Jeff Weninger (R-Chandler), was heard in the Senate Rules Committee on Monday. The bill will require cities and towns exercising eminent domain to acquire a utility to assume all its assets and contractual obligations, regardless of whether they can be assumed by local governments based on restrictions provided in statute and the state's Constitution.

The bill failed by a vote of 3-4 after the Senate Rules staff highlighted that the bill would likely lead to cities and towns assuming private contractual obligations without consideration of whether the obligation are allowed by the Constitution or statutes, likely in violation of the Constitution's gift clause.

Legislative Bill Monitoring

All bills being actively monitored by the League [can be found here](#)