



Judge issues ruling on Invest in Ed

Invest in Education initiative removed from ballot

Invest in Education, a measure that sought to raise \$940 million annually for K-12 education, was removed from appearing on the November ballot. Maricopa County Superior Court Judge Christopher Coury ruled that the initiative is unfit to appear on the ballot because of “opaque” language in its 100-word summary.

In the lawsuit filed against the initiative, Arizonans for Great Schools and a Strong Economy, a group financed by the Arizona Chamber of Commerce, argued that the measure misled taxpayers by not stating the full tax impact. According to the suit, the 100-word initiative statement was misleading because it referred to the tax on individuals making more than \$250,000 as a 3.5% surcharge instead of a tax increase. The complaint also alleged that the measure defined “teacher” too broadly and misrepresented who would benefit from the salary increases. The measure defined a teacher as “any non-administrative school personnel, including certified teachers, who instruct students or support student academic achievement.”

The judge agreed and wrote in his decision that “instead of identifying all principal provisions in the initiative’s description, Invest in Education circulated an opaque ‘trojan horse’ of a 100-word description, concealing principal provisions of the initiative.” Coury stated that it was the description as a “surcharge” that became a key mistake. He said that some voters might understand that would add 3.5 percentage points on the current top state income tax rate of 4.5 percent. But others, might interpret it to be a temporary tax, or even just a 3.5 percent increase in taxes when, in fact, the taxes owed on earnings above that point would increase by 77.7 percent. He continued by stating “no matter how well-intentioned the initiative was, its non-transparent description violates Arizona law.”

The decision will almost certainly be appealed, and likely be decided by the Arizona Supreme Court.

As more information becomes available, we will update you.

To review the decision, click [here](#).

Governor Ducey holds weekly press conference

Governor Ducey and Arizona Department of Health Services (AZDHS) Director Christ announced that COVID-19 “cases by day” are on a clear downward trend. Since the implementation of additional precautions, Arizona is now seeing a

decrease in the number of COVID-19 patients needing hospital beds and the Rt (rate of spread) has fallen below 1. According to AZDHS, data showed that 84% of inpatient beds and 86% of ICU beds were in use, which includes people being treated for COVID-19 and other patients. Overall, 45% of ventilators were in use. Director Christ suggested that Arizona is still on track to implement “project catapult” for 60,000 tests by the end of August. Over the past three weeks, cases increased by 49% and tests increased by 40%. Of known test results from last week, 12% have come back positive. A higher percentage of positive tests implies that the virus is widespread and more testing is needed.

The Governor did not provide any update on schools re-opening since his announcement last week. He emphasized that families are reminded to check with their district websites for dates and information on when in-person learning will begin. Additional guidelines pertaining to schools re-opening will be released on August 7th. As information becomes available, we will update you.

For more information on COVID-19 testing locations, click [here](#).

Fiscal analysis of Smart and Safe Arizona Act

The Joint Legislative Budget Council (JLBC) released an analysis of Smart and Safe Arizona, which intends to legalize cannabis use. JLBC economists concluded that if passed, the initiative would positively impact state revenue. They estimated that by the third year of implementation, the initiative would bring in more than \$250 million in new taxes annually from a 16 percent excise tax on recreational marijuana products and a 5.6 percent statewide sales tax. JLBC officials analyzed data from five western states where recreational marijuana is legal and found that there was a consistent growth in marijuana sales that began to slow after the third year.

An overview of the \$254 million is found below:

- **\$166 million** to support the Smart and Safe Arizona Fund
- **\$38 million** allocated to the state general fund.
- **\$43 million** allocated to cities and counties.
- **\$6 million** allocated to support education programs.

Additionally, JLBC found that if marijuana-related hospitalizations and visits to the emergency rooms increase, costs to the Arizona Health Care Cost Containment System (AHCCCS) could increase by \$5 million.

To review the Smart and Safe Arizona Act, click [here](#).

Fiscal analysis of Stop Surprise Billing and Protect Patients Act

The Joint Legislative Budget Council (JLBC) released a fiscal analysis of the Stop Surprise Billing and Protect Patients Act, which would require hospitals to increase the wages of practically all non-managerial hospital employees by five percent upon implementation.

Economists found that while the initiative does not have any direct costs to the state, mandated raises for hospital employees will trickle down to taxpayers to the cost of more than \$200 million by the fourth year. If imposed, the 5% raise for employees every four years would cost private hospitals close to \$250 million during the first year of implementation, and that figure would continue to increase. Historically, the Arizona Health Care Cost Containment System (AHCCCS) pays about 18 percent of hospital expenses in the state and the Arizona Department of Administration pays another 2.3 percent. JLBC estimates that between the two agencies, giving hospital workers raises will cost the state \$51.4 million in the first year after the act is adopted, \$105.5 million the second year, \$162.3 million the third year and \$221.7 million by the fourth year.

To review the Stop Surprise Billing and Protect Patients Act, click [here](#).

Upcoming August 4th Primary

Statewide voting in Tuesday's primary is projected to outpace previous years according to election officials. Political pundits and election officials predict that Tuesday's voter turnout will indicate how Arizona, as a battleground state, may perform at the November 3rd general election. One in four Maricopa County voters have already cast ballots and county elections had received 619,339 ballots, about 25% of the county's registered voters. In 2018, officials saw a total of 598,154 Maricopa County residents vote early and 699,636 participated in the primary.

As a result of the pandemic, Governor Ducey and Secretary of State Hobbs have issued additional guidance on voter safety. Recently, the state announced the allocation of \$9 million to support safe and secure voting during both the primary and general elections. A priority for Secretary Hobbs, approximately \$5 million will go directly to county recorders and election departments for COVID-19 response efforts -- including hiring temporary staff and poll workers; increasing the number of secure ballot drop-off locations; and expanding curbside voting at polling locations. Additional monies will be allocated to increase early voting opportunities, particularly in rural and tribal communities, and to inform voters of their options, such as voting by mail, early voting, and steps safe to vote on Election Day. The balance of the funding will be used to purchase personal protective equipment, sanitation supplies for voting locations, and hand washing stations in some areas.

In the agreement, County recorders and election departments across the state will receive:

- 19,000 reusable face masks for election workers.
- 160,000 disposable face masks for voters.
- 10,000 face shields for election workers.
- 175,000 pairs of gloves.
- 3,200 gallons of hand sanitizer.
- 2,400 bottles of disinfectant spray.
- 10,000 disposable pens.

To review the Secretary of State's 2020 AZVoteSafe Guide click [here](#).

If you have not submitted a timely early ballot, polling locations for Tuesday's primary can be found [here](#).



Governor Ducey Provides COVID-19 Update



Arizona Update on Issues



Click here to find COVID-19 resources and volunteer opportunities

Click here to find the AGA summary of contested primary races

Upcoming Legislators' Birthdays



Happy Birthday Rep.
T.J. Shope (R)
Wednesday, August 12th

Representing LD8, Representative Shope was first elected to the Legislature in 2012. An Arizona native, he was appointed to be Speaker Pro Tempore of the House in 2016 and reappointed in 2018. A graduate of Arizona State University where he earned a B.S. in political science, Shope is the owner of an independent grocery store in Coolidge. At the legislature, he serves as Chairman of House Ethics and is Vice Chairman of the Rules Committee. Additionally, he is a member of the House Education and Natural Resources Committees. This session his top legislative priority was HB2243 which would have appropriated \$28 million from the general fund to the Department of Transportation to replace and expand the Gila River bridge on Interstate 10. To wish Representative Shope happy birthday: tshope@azleg.gov.



Happy Birthday Sen.
Frank Pratt (R) Thursday,
August 27th

Representing LD8, Senator Pratt was first elected to the Legislature in 2009. An Arizona native, he has owned and operated a swimming pool construction business since 1986. At the Legislature, he serves as Chairman of the Senate Natural Resources and Energy committee and is Vice Chairman of both the Senate Transportation and Water committees. A former rancher, his top legislative priority this session was SB1206 which would have established the Agricultural Workforce Development Program in the Department of Agriculture to provide incentives to food-producing agricultural organizations to hire interns by partially reimbursing internship costs. To wish Senator Pratt happy birthday: fpratt@azleg.gov

Arizona Governmental Affairs

Address:
99 E. Virginia Avenue, #180
Phoenix, AZ 85004
602.296.5966

E-mail AZ Governmental