



What's Up in the Legislature

(March 7, 2009)

CONGRATULATIONS

To Kathy Jorgenson who did a great job of testifying in opposition to HB2608 (small installment loan act) introduced by Representative Biggs in Banking and Insurance last Monday. The bill was defeated 4-4 with Representative Quelland joining Representatives Meza, Bradley, and Campbell to kill the bill. Representative Meza stated, "Arizona can do better." Voting in favor of the bill (which would have allowed interest rates of up to 113% through 2017) were Representatives Ash, Seel, Tobin and Chairman McLain.

Two days later Rep. Biggs tried to revive the bill in his committee, Transportation, as a Strike Everything amendment but in the end he HELD the bill. He might have been influenced by a large number of e-mails, phone calls, and organizations opposed to it. Thank you to Voice of the Poor members who took the time to respond.

Special thanks go to Representatives Rae Waters and Steve Farley, both from Tucson, and Representative Eric Meyer who notified VOP that they were ready to vote nay. Farley noted that while the bill may pop back up again as an amendment to another bill. Be prepared to go after it again.

HCR 2014 [state trust lands; technical correction (NOW: health care freedom act)]

By Rep. Barto was either HELD or not heard in Health and Human Resources. This Concurrent Resolution was killed in the last general election. There was a Strike Everything amendment to the bill entitled "health care freedom act." It would allow the purchase of insurance from insurers not regulated by the State Insurance Department. Hopefully, it will not revive.

WOE

On the other hand we lost **HB2547 (housing trust fund; donations)** that was HELD in Commerce. It was introduced by Representatives (Campbell CH, Lujan, and Sinema)

WHAT'S HAPPENING

Governor Brewer spoke to a Joint Session of the Legislature last Wednesday. She spelled out the problems facing the state and suggested we need to cut programs, put a temporary one percent sales tax in place, and allow the Legislature to cut voter protected programs when they deem there is an emergency.

As you will recall, there are 39 members of the Legislature who have signed a pledge that they will never vote for a tax increase. (Other members may object to the use of sales tax as it will impact those least able to pay). On the other side of the aisle are those who have a problem voting to suspend funding for programs the voters voted to protect because the Legislature refused to consider them (AHCCCS eligibility raised to 100% of the federal poverty level and First Things First Early Childhood Education and Health Screening both funded by tobacco tax fall in this category). Cuts (even a temporary one) could mean the death of First Things First, a program that is just getting started. It will be challenging for the Governor to put together a coalition that supports her program and get it on the ballot.

Senate President Bob Burns has said that he will allow Senate committees to hear bills next week. Committees that are meeting, other than Appropriations, are getting insights on the effect of the Stimulus Package. However, it is widely expected that the Governor's tax increase proposal will cause President Burns to move repeal of the state equalization tax due to return in 2010. That will result in a loss of up to \$300 million to Arizona that could be used for education. There is some talk that it may be allowed to return as expected in 2010 with a new repeal date of 2012. (According to the AZ Republic, the cost of this tax is an average of \$90 per household affected per year).

Unemployment aid in the stimulus package (\$150 million to Arizona) would allow extension of unemployment benefits during job training, allow people who have worked less than a year to qualify for unemployment, allow jobless benefits for those working part-time and include an extra \$15 per week per child for eligible parents. Governor Brewer and her analysts are concerned that accepting this funding will obligate the state to additional costs going forward. It is worth noting that only Alabama and Mississippi offer less than Arizona's unemployment weekly maximum of \$240.