

The Legislature is very focused on the budget with the hope of adjourning in the next few weeks. The House is leading the charge on advancing a budget that has mustered support from the Governor and, as mentioned before, may likely include a flat tax that would decrease personal income tax over three years to 2.5%. While this appears to have strong support in the House, certain members of the Senate Republicans are concerned that the proposed tax cut is too aggressive. They are in negotiations on that topic this week and we will update you on the final budget and related tax cuts.

In terms of bills before the Legislature, of the 1,708 bills that were filed, 360 have passed, four have been vetoed and about 300 are still awaiting a vote on the floor of either the House or the Senate. The calendars for Floor votes are currently very light with just a few bills scheduled for a vote each day to ensure that members are at the Legislature remain engaged in the budget process and through the end of the session. Some pundits expect the budget votes to be lined up by next week, while others think the Legislature will not adjourn until Memorial Day or early June.

(Optional paragraph on PRO Act)

In other news, the Federal PRO Act passed the House and is expected to have its Senate vote in June. Arizona Senators Mark Kelley and Krysten Sinema, as well as Mark Warner of Virginia, are the only three Democratic Senators who have not co-sponsored the bill. If you haven't already and are interested in doing so, please reach out to our U.S. Senators to urge them to not support the PRO Act. The bill could be very harmful to the Arizona business community if it were to become a law because of the ability of unions to reach many businesses that are not required to allow union organizers. It would also eliminate Arizona's status as a right to work state along with that of all other states that have this provision. Interestingly, at the state level, legislation pertaining to labor (SB1268: Labor Guidelines; Fiduciary Guidelines) has been transmitted to the Governor. It requires unions to disclose their annual financial information.

This is in response to Robert's question about where in the state Constitution requires a  $\frac{3}{4}$  vote of the Legislature. I am not sure if this directly answers your question. If not, please let me know more specifically what you wanted to know about the initiative process and the legislature's role.

### **These are the AZ Constitutional provisions that require a $\frac{3}{4}$ Vote Related to an Initiative**

(3) Referendum power; emergency measures; effective date of acts. The second of these reserved powers is the referendum. Under this power the legislature, or five per centum of the qualified electors, may order the submission to the people at the polls of any measure, or item, section, or part of any measure, enacted by the legislature, except laws immediately necessary for the preservation of the public peace, health, or safety, or for the support and maintenance of the departments of the state government and state institutions; but to allow opportunity for referendum petitions, no act passed by the legislature shall be operative for ninety days after the close of the session of the legislature enacting such measure, except such as require earlier operation to preserve the public peace, health, or safety, or to provide appropriations for the support and maintenance of the departments of the state and of state institutions; provided, that no such emergency measure shall be considered passed by the legislature unless it shall state in a separate section why it is necessary that it shall become immediately operative, and shall be approved by the affirmative votes of two-thirds of the members elected to each house of the legislature, taken by roll call of ayes and nays, and also approved by the governor; and should such measure be vetoed by the governor, it shall not become a law unless it shall be approved by the votes of **three-fourths** of the members elected to each house of the legislature, taken by roll call of ayes and nays.

(6) (A) Veto of initiative or referendum. The veto power of the governor shall not extend to an initiative measure approved by a majority of the votes cast thereon or to a referendum measure decided by a majority of the votes cast thereon.

(6) (D) Legislature's power to appropriate or divert funds created by initiative or referendum. The legislature shall not have the power to appropriate or divert funds created or allocated to a specific purpose by an initiative measure approved by a majority of the votes cast thereon, or by a referendum measure decided by a majority of the votes cast thereon, unless the appropriation or diversion of funds furthers the purposes of such measure and at least **three-fourths** of the members of each house of the legislature, by a roll call of ayes and nays, vote to appropriate or divert such funds.

(14) Reservation of legislative power. This section shall not be construed to deprive the legislature of the right to enact any measure except that the legislature shall not have the power to adopt any measure that supersedes, in whole or in part, any initiative measure approved by a majority of the votes cast thereon or any referendum measure decided by a majority of the votes cast thereon unless the superseding measure furthers the purposes of the initiative or referendum measure and at least **three-fourths** of the members of each house of the legislature, by a roll call of ayes and nays, vote to supersede such initiative or referendum measure.