



# 2016 State Legislative Report

## June 2016

Prepared By:



## State of Arizona

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In the early hours of Saturday, May 7, the 52nd Legislature, Second Regular Session adjourned *Sine Die* after 117 days at the Capitol. This year's session lasted nearly 50% longer than last year due to stalled budget negotiations over additional investment in K-12 funding. The outcome of those debates was a \$9.6 billion budget for fiscal year 2017, which begins July 1, 2016. The budget increases ongoing state spending by \$80 million over last year and contains significant one-time dollars for both fiscal years 2016 and 2017.

While the relationship between House and Senate leadership ended on better terms than last year, both sides were irritated by procedural delays and lengthy voting calendars during the final days of session. Despite frustrations, both chambers were able to push many of their priority bills across the finish line. Among the major policy issues debated this session were public safety pension reforms, restoration of eligibility for KidsCare (Arizona's version of the Medicaid Children's Health Insurance Program), an expansion of the Arizona Supreme Court, and a focus on enhancing the "sharing economy" by reducing regulations surrounding tech-forward companies like Lyft, Uber and Airbnb in Arizona (a top priority for Republican Gov. Doug Ducey).

This year, the Legislature introduced 1,247 bills and sent 388 bills to the governor's desk, where 374 were signed into law and 14 were vetoed. Unless otherwise specified, the general effective date of all legislation is August 6, 2016.

The remainder of this report contains a summary of the budget and policy issues debated during this legislative session that have the greatest impact on the Land Title Association of Arizona ("LTAA").

## Bills That Passed

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*Bills listed below will become effective on August 6, 2016 unless otherwise noted.*

[\*\*HB 2555\*\*](#) (judgment liens; recorded info statement) [Chapter 202], an LTAA-sponsored bill, stipulates that a certified copy of a judgment requiring the payment of money and a separate information statement must be recorded with the county recorder in order for the judgment to become a lien on the real property of the judgment debtor. Initially, the Arizona Creditors Bar Association ("Creditors Bar") was opposed to the bill due to concerns that the language, as introduced, was "overly restrictive." Triadvocates – with input from the LTAA Legislative Committee – met with the lobbyists representing the Creditors Bar several times to discuss a possible compromise and, ultimately, the agreed-upon language was introduced as an amendment in the Senate. The Arizona Attorney General's Office ("AG's Office") was running its own bill, SB 1345 (state judgment liens; effect; information), this session as a result of the recent Arizona Supreme Court ruling (*Lewis v. DeBord*). SB 1345 sought to exempt civil judgments in favor of the state from recording requirements concerning information statements. SB 1345 and HB 2555 proposed conflicting statutes and, as such, the AG's Office was opposed to HB 2555. Because opposition from the AG's Office would have created significant challenges for HB 2555 throughout the legislative process, Triadvocates – with input from the LTAA Legislative Committee – worked closely with the agency's lobbyists to resolve the conflict. As a result, HB 2555 was amended to include a provision with the exemptions proposed in SB 1345. Ultimately, the AG's Office publicly supported HB 2555, while the Creditors Bar remained neutral. Introduced by Republican Rep. Jeff Weninger, HB 2555 passed both chambers by unanimous vote and was signed into law by Gov. Ducey on May 11, 2016. *Amends sections 33-961, 33-964 and 33-967, Arizona Revised Statutes.*

[\*\*HB 2002\*\*](#) (insurance premium tax reduction) [Chapter 358] annually reduces the premium tax rate for insurance other than fire, disability, and health care service insurance by .05%, beginning from the 2015 rate of 2% down to 1.70% in calendar year 2021 and beyond. Previously, the rate was annually reduced from the 2015 rate of 2% to specified lower rates in calendar years 2016 through 2025 and to 1.70% in calendar year 2026 and beyond. The legislation, which **does not** apply to title insurance, was backed by the insurance industry along with the Arizona, Phoenix and Tucson Chambers of Commerce, and was opposed by the National Association of Social Workers and several self-representing citizens. Introduced by Republican Rep. David Livingston, the bill passed largely along party lines in both chambers. It was signed into law by Gov. Ducey on May 19, 2016. *Amends section 20-224, Arizona Revised Statutes. This section does not apply to title insurance, and such insurers shall be taxed as provided in section 20-1566, Arizona Revised Statutes.*

[\*\*HB 2076\*\*](#) (annexation; single property owner; exception) [Chapter 93] modifies the requirements for which a territory is considered contiguous. For the purposes of municipal annexation, a territory is considered contiguous if the territory adjoins the exterior boundary of the annexing municipality for at least 300 feet, if all of the real property in the territory is owned by one person, and the municipality and the property owner agree to the annexation. This legislation was prompted by a situation in which Banner Health Arizona had property it wanted to annex into Queen Creek, but because of

current statutes, was required to break it into four different annexations. HB 2076 was a resolution put forward by the League of Arizona Cities and Towns in order to allow for a waiver of the length/width requirement when the town and business agree on an annexation with one property owner. The bill received strong support from Banner Health Arizona, the Arizona Planning Association, and municipalities across the state; no parties were opposed. Sponsored by Republican Rep. Jeff Weninger, the bill passed unanimously in both chambers and was signed into law by Gov. Ducey on April 5, 2016. *Amends section 9-471, Arizona Revised Statutes.*

[HB 2106](#) (homeowners' associations; enforcement grace period) [Chapter 230] modifies the response period for a notice of violation from a homeowners' association ("HOA"). Sponsored by Republican Rep. Phil Lovas, the bill stipulates that a condominium unit owner or planned community member has 21 calendar days to provide the HOA with a written response to a notice of violation, rather than 10 business days. The legislation, as introduced, was strongly opposed by the Arizona Association of Community Managers, Community Associations Institute, Home Builders Association of Central Arizona, and Robson Communities; only one self-representing citizen signed in supporting the bill. A controversial amendment was introduced in the Senate modifying the enforcement grace period for a notice of violation from 30 to 21 calendar days and asserting that a planned community may not prohibit the installation or use of an evaporative cooler on the roof. The provision concerning evaporative coolers was ultimately rejected in a conference committee, and the revised version of the bill passed the House on final reading by a 40-15 vote and the Senate by an 18-9 vote. HB 2106 was signed into law by Gov. Ducey on May 12, 2016. *Amends sections 33-1242 and 33-1803, Arizona Revised Statutes.*

[HB 2125](#) (district boundary modifications; parcel lines) [Chapter 179] allows special taxing district boundary lines to be adjusted if the current lines split a parcel. Sponsored by Republican Rep. TJ Shope, the bill allows a property owner whose parcel is split by a district boundary line to request the county assessor, in writing, to modify the district boundary so that the entire parcel is contained within the district that governs the majority of the area of the parcel. The legislation also authorizes a county assessor to initiate the consolidation of a parcel found to be split into two districts and exempts various specified districts. HB 2125 received strong support from the Maricopa County Assessor's Office, the County Supervisors Association of Arizona, and the Arizona Association of Counties; there was no opposition. It passed by unanimous vote in both chambers and was signed into law by Gov. Ducey on May 11, 2016. *Amends section 48-272, Arizona Revised Statutes.*

[HB 2172](#) (planned communities; architectural designs; approval) [Chapter 83] stipulates that the approval of a construction project's architectural designs, plans and amendments may not be "unreasonably withheld" by the planned communities' design review committee, architectural committee or a committee that performs a similar function. Sponsored by Republican Rep. Warren Petersen, the bill codifies case law established by a 2007 court decision (*Tierra Ranchos Homeowners Association v. Kitchukov*) concerning a Gilbert subdivision (Tierra Ranchos) and two property owners (the Kitchukovs). In 2007, a trial court granted summary judgment in favor of the Kitchukovs, concluding that the Tierra Ranchos HOA acted unreasonably in refusing to approve the location of a detached garage built by the Kitchukovs. The association claimed it denied the request "to maintain consistent setbacks throughout the subdivision and preserve the openness of the community." The

judge concluded that the association "disapproved the construction of the garage in an arbitrary, unreasonable, and capricious manner..." However, the Arizona Court of Appeals reversed and remanded due to disputes of material fact that precluded summary judgment, including the impact and visibility of the garage in the subdivision. It rejected the business judgment rule and instead adopted the Restatement (Third) of Property: Servitudes § 6.13 (2000), which requires an association to "act reasonably in the exercise of its discretionary powers including rulemaking, enforcement, and design-control powers," but places the burden of "proving a breach of duty by the association" (unreasonableness) on the homeowner. The Community Associations Institute initially expressed concerns with the ambiguity of the legislation, but worked with Rep. Petersen to introduce amendment language and ultimately remained neutral. The bill passed the House by a 55-4 vote and the Senate by a 27-2 vote. It was signed into law by Gov. Ducey on March 30, 2016. *Amends section 33-1817, Arizona Revised Statutes.*

[HB 2342](#) (insurance; licensed entities) [Chapter 101] makes various changes relating to the regulation of insurance licensees. Sponsored by Republican Rep. David Livingston, the bill requires an insurance producer to inform the director of the Arizona Department of Insurance of any change in the licensee's e-mail address within 30 days. The legislation also prohibits an authorized insurer from issuing a policy unless the policy declaration page or endorsement identifies the name of the producer licensed for that line of authority in this state, and removes statutory references to the countersignature requirement (this **does not** apply to reinsurance or life, disability or title insurance). The Arizona Department of Insurance, Auto-Owners Insurance, and USAA were among the parties in favor of the bill; there was no opposition to HB 2342. It passed both chambers by unanimous vote and was signed into law by Gov. Ducey on April 5, 2016. *Amends sections 20-229, 20-286 and 20-1693, Arizona Revised Statutes. Repeals section 20-2405, Arizona Revised Statutes.*

[HB 2382](#) (property; declaration amendment; procedure) [Chapter 254] creates a process for amending a community declaration. Sponsored by Republican Rep. Eddie Farnsworth, the bill stipulates that except during the period of declarant control, or if during the period of declarant control, with the written consent of the declarant in each instance, the declaration may be amended by a homeowner's association or a property owner by an affirmative vote or written consent of the number of eligible voters as prescribed in the declaration. An amendment to a declaration may apply to fewer than all of the lots or less than all of the property that is bound by the declaration, and the amendment is deemed to conform to the general design and plan of the community if specified conditions are met. An amendment to the declaration is effective immediately on recordation of the instrument in the county in which the property is located and does not apply to a condominium or a timeshare plan or association. The legislation was spearheaded by two zoning attorneys with Tiffany & Bosco seeking legislative relief by clarifying statute stemming from a restrictive court decision from the 90s that dictated when and how often homeowners could propose to revitalize their neighborhoods. This created significant issues for developers pursuing revitalization projects in older single-family subdivisions, as amendments to a declaration did not take effect until the declaration automatically renewed, which could be every 10, 15, or even 20 years—even with the necessary vote of property owners. Triadvocates met with the attorneys from Tiffany & Bosco along with their lobbyists in October 2015 and, after consulting with the LTAA Legislative Committee, determined that the proposed legislation did not create any conflicts or concerns for the LTAA. As such, we did not weigh

in on this bill. HB 2382 passed both chambers by unanimous vote and was signed into law by Gov. Ducey on May 17, 2016. *Amends sections 33-440 and 33-1817, Arizona Revised Statutes.*

[\*\*HB 2447\*\*](#) (business entities; database; posting; requirements) [Chapter 322] requires the Arizona Corporation Commission ("ACC") to establish and maintain an online database for the filing of certain business documents within 60 days after approval, beginning January 1, 2017. Sponsored by House Majority Leader Steve Montenegro, the bill limits the database to the inclusion of documents filed for an entity with a known place of business located in a county with a population of greater than 800,000 persons (Maricopa and Pima Counties), and stipulates that the ACC must post the database on its website to allow the public to search for business information, including an entity's name, approval date and county of known place of business. This was an extremely controversial bill and its passage was a significant defeat for the newspapers, as it eliminates the long-standing requirement for new businesses in Maricopa and Pima Counties to purchase advertisements in newspapers to publish their articles of incorporation. Instead, the ACC will publish formation documents through a new online database, once it is created. This legislation has been attempted every session for more than a decade without success, largely due to the fierce opposition from the newspaper industry. Spearheaded by the Arizona Free Enterprise Club this session, the bill received support from the Small Business Alliance AZ, Americans for Prosperity Arizona, the National Federation of Independent Business, the Southern Arizona Home Builders Association, Gilbert Small Business Alliance, and many self-representing citizens. Opposition included the Arizona Newspapers Association, Arizona News Service/Arizona Capitol Times, Arizona Trustee Association, Tucson Metropolitan Chamber of Commerce, Phoenix Newspapers, Inc., and many self-representing citizens. The bill passed the House by a 33-26 vote and failed to pass the Senate twice – with a 13-16 vote both times – before passing on reconsideration with a 16-14 vote in the final hours of the legislative session. HB 2447 was signed into law by Gov. Ducey on May 17, 2016. *Amends sections 10-130, 10-203, 10-1006, 10-1007, 10-1008, 10-1105, 10-1403, 10-1503, 10-1520, 10-2077, 10-2143, 10-3203, 10-11006, 10-11007, 10-11008, 10-11105, 10-11403, 10-11503, 10-11520, 29-633, 29-635 and 29-754, Arizona Revised Statutes.*

[\*\*SB 1413\*\*](#) (fiduciary access to digital assets.) [Chapter 165] adds a new chapter to Title 14 (Trusts and Estates) and adopts the [Revised Uniform Fiduciary Access to Digital Assets Act](#) ("Act") as developed by the National Conference of Commissioners on Uniform State Laws, which governs the disclosure of certain types of digital assets. The Act extends the traditional power of a fiduciary to manage tangible property to include management of a person's digital assets by establishing a procedure for disclosing digital assets and for disclosing content of electronic communications and other digital assets of a deceased user or a principal. It also establishes requirements for disclosure of digital assets held in trust both when the trustee is the original user and when the trustee is not the original user. As defined, "user" means "a person that has an account with a custodian." A "custodian," as defined, is "a person that carries, maintains, processes, receives or stores a digital asset of a user." Under the Act, the legal duties imposed on a fiduciary charged with managing tangible property apply to the management of digital assets, however, a custodian and its officers, employees and agents are immune from liability for an act or omission done in good faith in compliance with this legislation. The [House summary of SB 1413](#), as transmitted to the governor, contains an overview of each provision. The Arizona Uniform State Laws Commission, Arizona Bankers Association, and Google were among the parties in favor of SB 1413; there was no opposition. Introduced by Republican Sen. Adam Driggs,

the bill was amended in the Senate to make conforming changes and passed unanimously. It passed the House by a 53-1 vote and was signed into law by Gov. Ducey on May 11, 2016. *Amends Title 14, Arizona Revised Statutes, by adding Chapter 13.*

[\*\*SB 1432\*\*](#) (conservation easements; tax classification; registry) [Chapter 168], effective on January 1, 2017, establishes a separate classification for and requires county assessors to establish a digital registry of properties burdened by a conservation easement. Sponsored by Republican Sen. Gail Griffin, the bill establishes an assessment ratio of 15% and requires all county assessors to review and revise the information in the registry to verify that the properties should remain as class 2 (C)—a subclass of class 2 property for property tax purposes, which consists of real property, and improvements to real property, that is burdened by a conservation easement that has been created and is currently in effect under state law. A strike-everything amendment was introduced in the Senate, creating several concerns for the LTAA pertaining to recapture of taxes. Triadvocates addressed the issues with Sen. Griffin and worked with legislative staff, in collaboration with the LTAA Legislative Committee, to ensure the revised language eliminated these concerns. The Maricopa County Assessor's Office signed in as neutral once the amendments were introduced. SB 1432, as amended, passed the House by a 39-20 vote and the Senate on final reading by an 18-11 vote. It was signed into law by Gov. Ducey on May 11, 2016. *Amends section 42-12002, Arizona Revised Statutes; amends Title 42, Chapter 12, Article 2, Arizona Revised Statutes, by adding section 42-12058; amends section 42-15002, Arizona Revised Statutes.*

## Bills That Failed

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[\*\*HB 2037\*\*](#) (county liens; abatements), if passed, would have given the county board of supervisors the option to determine whether or not the sale of a real property tax lien or the foreclosure of the right to redeem extinguishes a county lien for nuisance abatement, dangerous building abatement, trash or weed removal or abatement, or removal or abatement of dilapidated buildings. Introduced by Republican Rep. Sonny Borrelli, the bill never not assigned to a committee in the House and, therefore, effectively died.

[\*\*HB 2043\*\*](#) (legal tender exchange; tax exclusion), introduced by Republican Rep. Mark Finchem, sought to permit a tax deduction on income derived from the exchange of "legal tender" (defined as a medium of exchange, including specie, that is authorized by the United States Constitution or Congress for the payment of debts, public charges, taxes and dues). A floor amendment to HB 2043 was introduced in the House adding provisions exempting the amount of net capital gains derived from the exchange of different forms of legal tender from being included, and requiring the amount of net capital loss to be included in Arizona gross income, stipulating that any legal tender exchanges must occur at face value or based on fair market value of the coins involved in the exchange, and establishing a delayed effective date of January 1, 2017. The bill, as amended, passed the House largely along party lines. It passed the Senate Financial Institutions Committee by a 4-1 vote but failed to reach the Senate floor. According to the Joint Legislative Budget Committee ("JLBC"), altering the definition of legal tender to include specie material could possibly require the purchase of additional

equipment and facilities or the hiring of specialists such as assayers to allow the Arizona Department of Revenue ("ADOR") and the Arizona State Treasurer ("Treasurer") to safely and efficiently handle tax and other transactions conducted in the material. The Treasurer and ADOR were unable to estimate a fiscal impact, which likely stalled the bill.

**HB 2068** (tax lien foreclosures; subdivisions; exemption), if passed, would have added lots, parcels or fractional interests that are the result of a foreclosure of the right to redeem to the list of lands that are exempt from statutes regulating the sale of subdivided lands. Introduced by Republican Rep. TJ Shope, the bill was referred to the House Commerce Committee but failed to receive a hearing.

**HB 2403** (tax lien deeds; aggregate fees), introduced by Republican Rep. Vince Leach, would have capped the amount a county treasurer may charge for a foreclosed right to redeem property deeds. The bill included provisions stipulating that the aggregate fee could not have exceeded \$500 for any judgment foreclosing the right to redeem 10 or more individual parcels and would have applied retroactively to any judgment entered before the effective date and for any deed that had not been applied or issued. HB 2403 was backed by the Goldwater Institute, the Arizona Tax Research Association, the Southern Arizona Home Builders Association, and the Tucson Metropolitan Chamber of Commerce, but received strong opposition from the Arizona Association of Counties. It passed the House largely along party lines but failed to pass the Senate by an 11-18 vote.

**HB 2597** (delinquent property taxes; interest; reduction) sought to decrease the interest rate on delinquent property taxes from 16% per year simple to 10% per year simple. Introduced by Republican Rep. Justin Olson, the bill was opposed by the Arizona Association of Counties; no organizations testified in favor. It passed the House by a 55-4 vote but failed to receive a hearing in the Senate Finance Committee.

**SB 1141** (legal tender; taxation; regulation), if passed, would have designated "legal tender" and "specie" as money and not subject to taxation or regulation as property other than money. Under the proposed legislation, a person would have been prohibited from compelling another person, the state or a political subdivision to tender or accept specie legal tender, except as expressly provided by contract. For tax years beginning with 2018, the lists of subtractions from Arizona gross income for individual and corporate income taxes would have been expanded to include the amount of any net capital gain and loss included in federal adjusted gross income for the tax year that is derived from the exchange of one kind of specie for another kind of specie or legal tender. Sponsored by Republican Sen. David Farnsworth, the bill passed both chambers largely along party lines but was ultimately vetoed by Gov. Ducey on May 12, 2016. In his veto message, the governor expressed concern regarding ambiguous language in the bill that may have had unintended consequences beyond the intent of the proponents.

**SB 1161** (corporation commission; searchable database; appropriation), as introduced, sought to appropriate \$2 million from the Public Access Fund ("PAF") to the ACC for a new searchable database of business entity filings, which would have replaced the State of Arizona Public Access System ("STARPAS")—the ACC's current system. Introduced by Republican Sen. John Kavanagh, the bill passed the Senate Commerce & Workforce Development and Senate Appropriations Committees,

but a strike-everything amendment introduced in the House changed the subject to elderly assistance funds. A common legislative strategy, the initial bill was introduced in an effort to establish public support for the proposed funding and to provide an opportunity for the issue to receive a public hearing. A number of organizations signed in for the bill, including the Arizona Association of Community Managers, Arizona Public Service ("APS"), the National Federation of Independent Business, Salt River Project ("SRP"), the Arizona Chamber of Commerce, Southwest Gas Corporation, and the Arizona Small Business Association. The County Supervisors Association of Arizona was the only party signed in opposed. These types of bills concerning funding, which would technically be considered unfunded mandates if they were to move through the legislative process, are often used as vehicles for strike-everything amendments once the bill has served its initial purpose. The sponsor then focuses his or her efforts on budget negotiations. While this bill technically falls under the "Bills That Failed" category, Sen. Kavanagh was successful in securing a \$2 million appropriation for the ACC corporate filing database in the fiscal year 2017 budget.

[\*\*SB 1271\*\*](#) (notaries; unlawful practices; immigration), if passed, would have made it illegal for a notary public to receive compensation for any unauthorized practice of immigration and nationality law if the notary public is not an attorney. Introduced by Minority Whip Sen. Martín Quezada, the bill, as initially introduced, sought to allow the county attorney to initiate proceedings regarding unauthorized practice of immigration and nationality law, and to increase the penalty for a person who commits the offense while acting in the capacity of a commissioned notary public from a class 6 felony to a class 4 felony. A Senate floor amendment reduced the penalty from a class 4 felony to a class 5 felony and added a legislative intent clause. As amended, it passed the Senate by a 23-6 vote. A strike-everything amendment introduced in the House added provisions limiting the civil penalty to no more than \$1,000 for each violation and revoking the notary public's commission permanently for a violation. The bill, as amended, passed out of the House Judiciary Committee but was retained on the House Committee of the Whole calendar and ultimately died on the floor.

[\*\*SB 1345\*\*](#) (state judgment liens; effect; information), introduced by Republican Sen. David Farnsworth in collaboration with the AG's Office, sought to make state-obtained civil judgments filed with the county recorder on or after January 1, 1997, permanent while excluding certain information contained in an information statement. Because SB 1345 conflicted with certain provisions of HB 2555 (the LTAA-sponsored bill concerning judgment liens), Triadvocates worked with the lobbyists representing the AG's Office to reach an agreement on language. The agreed-upon language was introduced as an amendment to HB 2555 and, therefore, it was no longer necessary for SB 1345 to continue moving through the legislative process.

[\*\*SB 1423\*\*](#) (gold and silver coins; taxation) sought to prohibit the taxation of the exchange of gold and silver coins, except as required by the Constitution of Arizona. Introduced by Republican Sen. David Farnsworth, the bill passed the Senate largely along party lines. A strike-everything amendment was introduced in the House, allowing a tax deduction on income derived from the exchange of one kind of specie for another, requiring any capital loss derived from the exchange of specie to be added to a taxpayer's Arizona Gross Income, and specifying that the specie must be exchanged at face value or an amount based on the fair market value of the metal content. Americans for Prosperity Arizona, the Arizona Tenth Amendment Center, and dozens of self-representing individuals signed in for the bill,

and no parties were signed in opposed. SB 1423, as amended, passed the House Ways & Means Committee by a 6-2 vote but was never heard in the House Committee of the Whole and died before making it to the floor.

## Elections Overview

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**U.S. Senate Race:** U.S. Sen. John McCain is seeking a sixth term in the U.S. Senate but faces a challenge from former state Sen. Kelli Ward in the Republican primary. Despite McCain's significant fundraising advantage over Ward, recent polling suggests a much closer race than initially projected. The winner of that primary will face U.S. Rep. Ann Kirkpatrick in the general election, which is expected to be a tight race regardless of the GOP nominee.

**Congressional Races:** Arizona has two open congressional seats in 2016 – Congressional District 1 ("CD 1") and Congressional District 5 ("CD 5"). In CD 1, U.S. Rep. Ann Kirkpatrick – a Democrat – is vacating her House seat to run against U.S. Sen. John McCain for his seat in the Senate. Among those running in the crowded Republican primary are state House Speaker David Gowan, state Sen. Carlyle Begay, Pinal County Sheriff Paul Babeu, former Arizona Secretary of State Ken Bennett and local rancher Gary Kiehne. The winner will face former state legislator Tom O'Halleran, who is running unopposed in the Democratic primary, in the general election. The district covers mainly rural areas of northern and eastern Arizona, including Prescott, Yavapai County, Flagstaff, Sedona and the Navajo Nation. Due to intense competition after redistricting in 2012, CD 1 is generally considered a swing district. In CD 5, U.S. Rep. Matt Salmon is retiring from Congress and will not be seeking re-election this fall. The district is located within eastern Maricopa County, containing Gilbert, Queen Creek, southern and eastern Chandler, and eastern Mesa. It is considered a safe Republican district, and the GOP nominee is expected to easily win the general election. Primary contenders include state Senate President Andy Biggs, state Rep. Justin Olson, former Maricopa County Supervisor Don Stapley and former gubernatorial candidate Christine Jones.

**Legislative Turnover:** All 90 seats – 60 in the House and 30 in the Senate – are up for election this November. We know that eight senators and 17 representatives will not return to their current seats due to term limits, campaigns for other offices, or retirement. Included in the list of members who will not be returning are Senate President Andy Biggs (running for Congress), House Speaker David Gowan (running for Congress) and House Minority Leader Eric Meyer (running for the state Senate seat in his district). There will also be wholesale changes in leadership posts, committee chairs, and committee assignments.

**Ballot Propositions:** Pending qualification, several citizen initiatives could appear on the 2016 general election ballot. The legalization of recreational marijuana, caps on hospital executive pay, a state minimum wage increase, and the referral of changes to state campaign finance laws are all potential initiatives seeking signatures. To qualify, those seeking to put initiatives on the ballot must collect more than 150,000 signatures by July 7.

## Conclusion

Please let us know if you have any questions about the information contained in this report. It is our pleasure to be a part of the LTAA team, and we look forward to our continuing efforts over the months and years ahead.