

February 12, 2024



## State Budget, Housing & Water Take Center Stage at the Legislature



### Budget Shortfall

Legislators and the governor's office continue to discuss a path forward for the state's budget, as legislative economists predict a \$2.1 billion shortfall over two years. The Joint Legislative Budget Committee (JLBC) attributes the shortfall in part to lower individual income tax collections, which are 27.7% lower than last year, reducing revenues by \$481 million. Corporate income tax is also lower than projections, with a 8.1% decrease. Sales taxes have increased by 4.2% but are still \$36 million below forecast.

Legislators and the governor have yet to agree on a spending package that addresses the shortfall without targeting specific programs or budget items that either party view as poison pills.

[JLBC State Revenue Presentation](#)



## Housing Legislation

**HB 2297 (adaptive reuse; commercial buildings; zoning)**, sponsored by House Majority Leader Leo Biasiucci (R-Lake Havasu), would require cities and towns to allow by-right development from a commercial property to multifamily or mixed-use. Any property that qualified would be required to have 10% of housing units for moderate-income or low-income renters. The bill passed the Commerce Committee in a 7-3 vote and will go to the full House for consideration.

**HB 2518 (municipalities; housing needs assessment; zoning)**, sponsored by Rep. Matt Gress (R-Phoenix) updates the requirements of cities and towns in their housing needs assessment processes. It also requires municipalities to adopt an ordinance by Jan. 1, 2025, for determining if a zoning application is administratively complete within 30 days, and to make a decision on the application within 180 days. The committee adopted an amendment which provides a density bonus for mixed-use or multifamily development near light rail or street car stops. The bill passed in an 8-2 vote and now goes to the full House for consideration.

[HB 2297 Summary](#)

[HB 2518 Summary](#)



## Water Policy

State legislators, the governor's administration and stakeholders remain at an impasse for the path forward on any water legislation this year. Lawmakers have introduced roughly 100 bills this year on water and a handful have already received committee hearings, and have received mixed support and opposition. NAIOP remains committed to working with all policymakers to ensure smart, sensible solutions can be identified that allow for Arizona developers to remain good water stewards and support our growing economy



**HB 2309 (GPLET; agreement posting; abatement period)** passed out of the House Ways & Means Committee in a 6-4 vote. The bill would reduce the abatement period for GPLETs down to four years, which would effectively eliminate the usefulness of these economic development tool.



**HB 2417 (Arizona commerce authority; continuation)** re-authorizes the ACA for an additional four years as part of the state's legislative sunset review process for all agencies, departments and boards. The House Appropriations Committee approved the bill in a 14-2 vote.

**Presidential Preference Election (PPE)  
Important Dates**

**Tuesday, February 20** - Last day to register to vote

**Wednesday, February 21** - Early voting begins

**Tuesday, March 12** - Last suggested day to mail back early ballots

**Friday, March 15** - Last day to vote early in person

**Tuesday, March 19** - Election Day

**MARICOPA COUNTY**  
RECORDER'S OFFICE



## Arizona Presidential Preference Election

Often mislabeled a "primary", the Arizona Presidential Preference Election (PPE) is open only to registered Republicans and registered Democrats. Independents or unaffiliated voters are ineligible to vote, unless they re-register as a Republican or Democrat.

The last day to register for the PPE is Feb. 20.

Early voting begins on Feb. 21.

Election Day is Mar. 19.

## 2024 Election & Ballot Composition

Legislators across the aisle and the governor agreed to a fix to Arizona's election schedule that could have potentially left Arizona's 11 Electoral College votes uncounted in December.

**HB 2785** passed both the House and Senate and now awaits the governor's signature. The bill pushed back the 2024 primary to July 30 to allow enough time for any recounts. The bill also included several provisions relating to signature verifications, curing periods and early voting.



In addition the candidates for president, U.S. Senate, all nine congressional districts and all 90 legislative seats, Arizona ballots this year will carry a number of measures for voter consideration. In addition to citizen initiatives, lawmakers can refer proposals or constitutional amendments to the voters - a process that bypasses the governor's signature or veto. There is still time for lawmakers to refer to the voters, and petition gatherers have until July 3 to submit for the 2024 ballot. Some policies on the table for the 2024 ballot include:

- Extending Prop 123 - the teacher pay mechanism.
- Making abortion access a right in the Arizona Constitution.
- Reversing Arizona's right to work status.
- Changes to the primary election system.
- Limiting gubernatorial emergency powers.

## Resources

### Political Recap

Bills must be heard in committee in their chamber of origin by the end of this week - Feb. 16 - or are otherwise "dead" in the legislative process. Although bill numbers may "die", the content can reemerge throughout the session as an amendment or part of the budget package.

Representative Leezah Sun (D-Avondale) resigned on Jan. 31 minutes before the House of Representatives was set to vote to expelled her for a pattern of "disorderly behavior" that "violated the order and decorum" of the House.

The 56th Legislature (2023-2024) has seen an unprecedented number of members leave, including one expulsion (Rep. Liz Harris) and eight resignations.

# NAIOP

COMMERCIAL REAL ESTATE  
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ARIZONA CHAPTER



[NAIOP Bill Tracking List](#)

[Arizona Legislature](#)

[Arizona Election Deadlines](#)

[Arizona Ballot Initiatives](#)



## NAIOP

ARIZONA POLITICAL ACTION COMMITTEE

## The Voice of Commercial Real Estate Development

NAIOP Arizona Political Action Committee (PAC) is the voice of commercial real estate development in Arizona's political process. Supported entirely by member contributions, the PAC provides NAIOP the resources to advocate for candidates for state and local office who understand the needs of the industry, promote policies that foster economic development and bolster the commercial real estate industry.

Your investment in the PAC shows your support for the industry and amplifies the voice and effect of commercial real estate in Arizona.

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