



SEPTEMBER 2025

# WHY POLICY *STILL* MATTERS

THE 2025 ARIZONA "JOB KILLERS" LIST

AUTHORS: GLENN FARLEY & ZACHARY MILNE



ARIZONA CHAMBER  
FOUNDATION

## ABOUT THE AUTHORS



**Glenn Farley** is CSI Arizona's Director of Policy & Research. Before joining CSI in 2022, Glenn worked in the Office of the Arizona Governor, most recently as Gov. Doug Ducey's Chief Economist and a policy advisor. In that role he advised on issues of tax, fiscal, and regulatory policy, and was one of the Governor's lead architects of his two major tax reforms – including the 2021 income tax omnibus which phased in a 2.50% flat tax (the lowest in the country). Glenn also led the budget team that produced the Executive revenue forecasts and caseload spending numbers that have helped ensure the longest run of structurally balanced budgets in State history. Glenn has a Master's Degree in Economics from Arizona State University's WP Carey College of Business, as well as a B.S. from Arizona State University. He was born and raised in Arizona where he now lives with his wife and two daughters and a son.



**Zachary Milne** is the Senior Economist and Research Analyst for the Common Sense Institute AZ. Zachary works with the Arizona research team to craft important and thoughtful research concerning the Arizona economy.

Prior to CSI, Zachary attended Arizona State University, where he first attained a bachelor's in economics and statistics, followed by a master's degree in economics. Zachary has also worked in the Arizona Governor's budget office, where he served as an economist. In this capacity he developed the state's revenue forecasts, and advised a team of budget analysts on the creation of K-12 and Medicaid caseload figures for the State's annual budget. He also advised the Executive policy and leadership teams on fiscal policy, and regularly presented detailed analyses on each of the dozens of tax bills introduced in the Arizona Legislature each year.

Zachary is originally from upstate New York, and is an enthusiastic NY Jets fan. He also served over eight years in the United States Air Force, and currently serves in the Arizona Air National Guard at the 161st Air Refueling Wing in Phoenix Arizona. He is a proud husband and father to four beautiful children.



## ABOUT COMMON SENSE INSTITUTE

**Common Sense Institute** is a non-partisan research organization dedicated to the protection and promotion of Arizona's economy. CSI is at the forefront of important discussions concerning the future of free enterprise and aims to have an impact on the issues that matter most to Arizonans. CSI's mission is to examine the fiscal impacts of policies, initiatives, and proposed laws so that Arizonans are educated and informed on issues impacting their lives. CSI employs rigorous research techniques and dynamic modeling to evaluate the potential impact of these measures on the Arizona economy and individual opportunity.

## ABOUT ARIZONA CHAMBER FOUNDATION

**Arizona Chamber Foundation** is a non-profit, objective education and research foundation. The foundation is dedicated to a non-partisan, research-driven approach that analyzes the issues impacting Arizona's economy. As an Arizona non-profit, the foundation is dedicated to expanding economic opportunity in Arizona through research and initiatives that focus on the core drivers of prosperity. CSI Arizona thanks the Arizona Chamber Foundation for their research assistance and contributions to the production of this report.

## TEAMS & FELLOWS STATEMENT

CSI is committed to independent, in-depth research that examines the impacts of policies, initiatives, and proposed laws so that Arizonans are educated and informed on issues impacting their lives. CSI's commitment to institutional independence is rooted in the individual independence of our researchers, economists, and fellows. At the core of CSI's mission is a belief in the power of the free enterprise system. Our work explores ideas that protect and promote jobs and the economy, and the CSI team and fellows take part in this pursuit with academic freedom. Our team's work is informed by data-driven research and evidence. The views and opinions of fellows do not reflect the institutional views of CSI. CSI operates independently of any political party and does not take positions.

# TABLE OF CONTENTS

About the Authors .....	1
About Common Sense Institute.....	2
About Arizona Chamber Foundation .....	2
Teams & Fellows Statement.....	2
Introduction .....	5
Key Findings .....	6
Why Policy Still Matters .....	7
The 2025 Arizona 'Job Killers' List .....	12
<b>Tax Increases.....</b>	<b>13</b>
Increased sales and income taxes on financial transactions .....	13
Elimination of single sales factor for corporate income .....	14
\$1,000 minimum Corporate Income Tax .....	14
1% payroll tax on most employers.....	14
<b>Labor Cost Increases.....</b>	<b>15</b>
Repeal of Right-to-Work.....	15
Minimum Wage Increases .....	16
Scheduling, Break, and Overtime Standards .....	16
Heat illness prevention.....	16

<b>Energy and Environmental Cost Increases .....</b>	<b>17</b>
Adoption of California vehicle emissions standards in Arizona .....	17
50% renewable electricity generation mandate .....	17
<b>Legal &amp; Administrative Cost Increases .....</b>	<b>18</b>
Rent Control .....	18
Mandatory "Cash Pay" .....	18
Price gouging prohibition .....	19
Restrictions on Pharmacy Benefits Managers .....	19
New efficiency requirements for plumbing fixtures .....	20
<b>Workforce &amp; Education Cost Increases .....</b>	<b>20</b>
Tuition Surcharge for Financial Aid .....	20
<b>The Bottom Line .....</b>	<b>21</b>
<b>Appendix 1: 'Job Killers' Bill List .....</b>	<b>22</b>
<b>Appendix 2: 'Job Killers' Bill Impact Source List .....</b>	<b>36</b>

# INTRODUCTION

The 2025 Arizona "Job Killers" report, a collaboration between CSI Arizona and the Arizona Chamber Foundation, underscores Arizona's choice: do we elect growth, or stagnate? After a decade of robust progress, the state faces a slowdown, with job growth turning negative in May and June 2025 - the first such declines since the pandemic. The State of Arizona has limited homebuilding in parts of suburban Maricopa County, some Scottsdale residents tried to stop new affordable housing construction, and Tucson's council turned down the opportunity for new high-tech investment. This report examines the critical role of state-level policy in sustaining Arizona's economic momentum, contrasting its trajectory with peers like Colorado and California, and highlighting the risks posed by proposed legislation and policies that could stifle growth.

This report emphasizes that deliberate, pro-growth policies are essential for Arizona to maintain its economic edge and avoid the pitfalls seen in states like Colorado.

## 'Job Killers' Why They Matter



**88**

Tax Increases, Fees, and Mandates introduced in 2025

**If Passed...**



**\$46 billion+**

Potential increased taxes, fees, and costs



**\$3.8 billion+**

Tax increases



**\$18.6 Billion**

Smaller Arizona economy if it had grown like Colorado since 2020

## KEY FINDINGS

- **Arizona's Growth Decade:** Since 2016, Arizona's economy has outpaced Colorado's, with real GDP growth averaging 3.2% annually (vs. 2.8% in Colorado) and capturing 2.8% of U.S. economic growth since 2017, despite being less than 2% of the U.S. economy a decade ago. Pro-growth policies—lower taxes, smaller government, and reduced regulation—have driven this success.
- **Policy-Driven Disparities:** States like Idaho, Utah, Florida, Texas, and Arizona, with business-friendly policies, accounted for most of the growth in the U.S. since 2017. Conversely, states like Colorado and California, with increasing regulatory burdens, have seen slower growth, particularly in sectors like natural resources - where job growth slowed 160% recently - and manufacturing.
- **The Regulatory Threat:** In 2025, 88 bills were introduced that could have imposed \$45.9 billion in annual costs, potentially cutting employment by 660,000 jobs (-20%), per-capita income by \$4,600 (-7%), and GDP by \$64 billion (-15%). Significant proposals included tax hikes (\$3.7 billion), labor cost increases (\$30 billion, including right-to-work repeal), and new environmental regulations (\$8 billion).
- **Lessons from Next Door:** Colorado's regulatory overreach contrasts with Arizona's restraint – so far, none of the bills tracked on these lists were enacted by our legislature. The lesson is plain: once a top-performer, Colorado's economy has slowed dramatically, and now seriously lags Arizona.

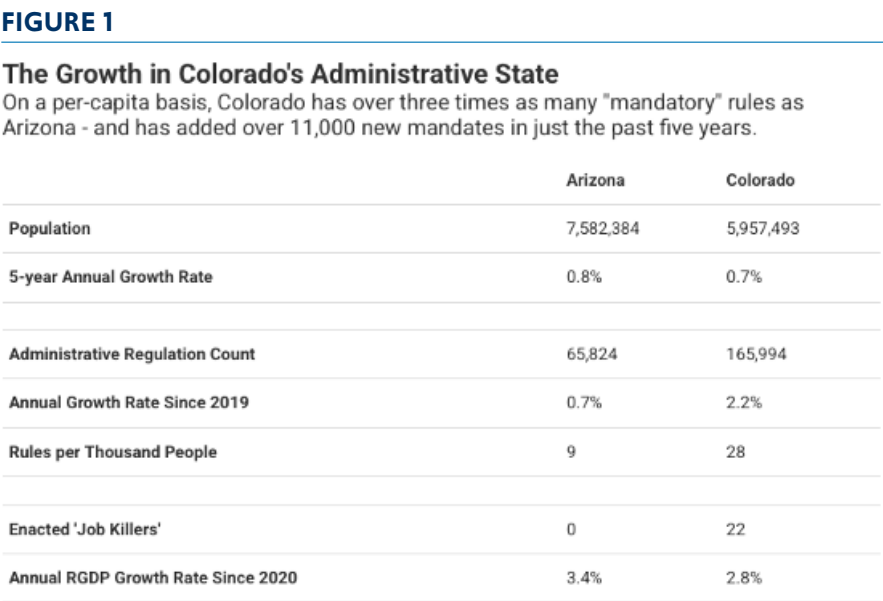
# WHY POLICY STILL MATTERS

As CSI Arizona and its partners at the Arizona Chamber Foundation embark on their third annual “job killers” report, we find Arizona at a crossroads.

As CSI has been pointing out in its [monthly employment reports](#), job growth in Arizona has been slowing since early 2024. In fact, monthly job growth turned negative in May and June 2025 – the first consecutive month-over-month declines in state employment since the pandemic. This is part of a broader slowdown in the state economy over the past year, led by its once-booming manufacturing sector, likely at least partly attributable to its struggling housing market, over-sold water woes, and lack of clear economic policy direction.

But policy still matters, and the states story since the Great Recession – and particularly since the pandemic – remains illustrative.

Prior to 2019, Arizona and Colorado were on very similar growth trajectories. Besides being regional neighbors, the two states in 1990 were peers in terms of population, economy, and political environment. That close relationship would persist for more than two decades. In 1990, Arizona had 3.7 million residents; Colorado was 10% smaller. By 2015 Arizona’s population had increased 86%; Colorado by a slower but comparable 65%. Between 1990 and 2015 Colorado’s labor market would expand at an average rate of 2.1%/year, versus 2.4%/year in neighboring Arizona.



Source: CSI Colorado, QuantGov RegData, U.S. Census Bureau



Similarly, Gross Domestic Product in the two states has historically been similar. During the 2000s, Colorado grew faster than Arizona in terms of GDP, despite fewer people. The combined trials of the Great Recession (which was particularly hard on Arizona) and the American fracking revolution and commodity price surge (particularly valuable to Colorado with its rich supply of oil and gas) fueled Colorado's growth advantage relative to Arizona during and after the Great Recession. Between 2000 and 2015, Colorado's real Gross Domestic Product grew at an average rate of 1.9%/year versus just 0.7%/year in Arizona.

After 2015, though, something remarkable happens here and Arizona's growth outlook shifts dramatically. Average annual output nearly quintuples to 3.2%/year, and since 2019, Arizona's economy has grown faster than Colorado's (3.4% and 2.8%, respectively<sup>ii</sup>). Over the past five years, cumulative real GDP growth in Arizona has been 30% larger in Arizona than in Colorado.

This raised the two key research questions which led to our [original report](#):

- **What happened in Arizona, beginning approximately 10 years ago?** Why did the state shift to a much higher growth trajectory after 2016 than it had experienced previously?
- **Why wasn't this change uniform across states?** For example, while U.S. manufacturing employment reversed decades of decline after enactment of the Tax Cuts & Jobs Act in 2017, California's manufacturing sector saw almost no growth between 2017 and 2022, while Arizona's grew by 20%. More recently, following a change in focus nationally – to subsidies for favored industries and regulation, particularly environmental regulation – growth has slowed or even reversed.

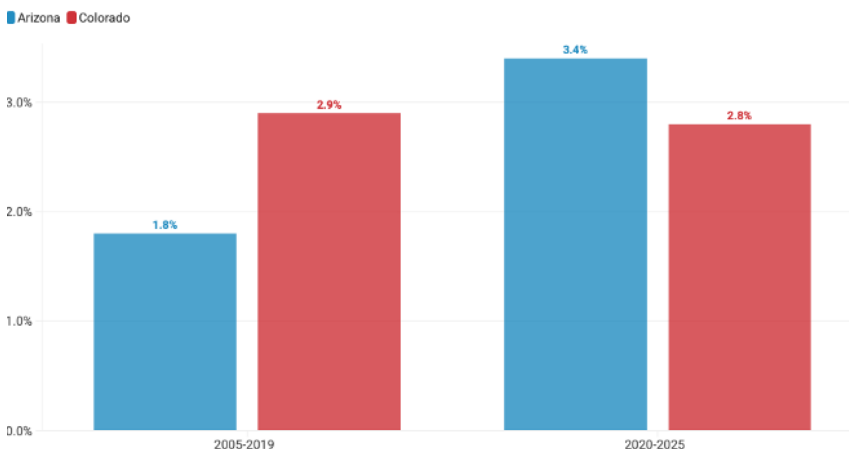
CSI has a long history in Colorado. And more recently, its lens has expanded to include first Arizona, and then Iowa and Oregon. But it's important to note that this is not an isolated phenomenon. In general, between 2017 and 2022, job and GDP growth in the United States accelerated, but the trend has been uneven. Like the gradual decline of the Rust Belt before, the recent period has been marked by significant disparities, but unlike then, these are less clearly regional but certainly policy related.

In fact, the five states that have grown the fastest since 2017 – Idaho, Utah, Florida, Texas, and Arizona – all share a common pro-growth local policy agenda: lower taxes; smaller government; and reduced regulatory burden<sup>ii iii iv v vi</sup>. Seventy percent of all economic growth in the United States since 2017 occurred in just 15 states, and controlling for the size of their

**FIGURE 2**

**Relative GDP Growth Rates in Arizona & Colorado Over Time**

While Colorado grew more quickly than Arizona during the first two decades of the 21st century, that relationship reversed during and after the pandemic. While growth in Colorado has slowed, Arizona accelerated dramatically - today, Arizona is growing over 20% faster than Colorado.



Source: U.S. Bureau of Economic Analysis

economies, only 19 states grew faster than they would have been expected to grow given their positions seven years ago. For example, though it was 14% of the entire U.S. economy in 2017, California captured just 13% of all U.S. economic growth since; Texas was 8.5% of the U.S. economy but has captured 12% of all growth.

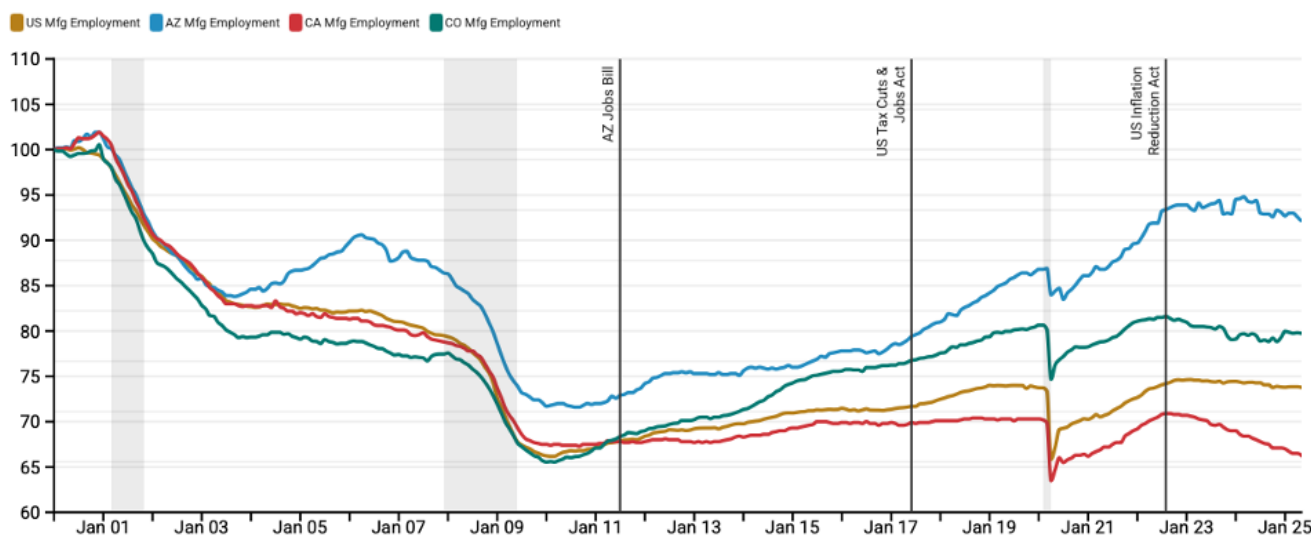
Arizona, for its part, has captured about 2.8% of US growth over this period, despite being less than 2% of the US economy a decade ago.

Arizona's aggressive pursuit of economic growth and adoption of deliberate pro-business policies has moved it quickly from a relatively poor state to one that is above-average in terms of the size of its economy and the income of its households. This transition hasn't been painless; rapid growth and development have made the local housing market one of the [hottest in the country](#). At their peak, prices in the greater Phoenix area were increasing faster than anywhere else in the country. But overall, the results are clear: while federal policy unlocks the opportunity for growth, states must actively *capture* that growth by making wise policy choices.

FIGURE 3

### Policy Matters

Manufacturing in the United States has been undergoing a minor "renaissance" over the past decade. But not all states are benefiting equally. Arizona's manufacturing setctor is 20% larger today than it was in 2015; California's was basically flat. More recently, manufacturing job growth - nationally and in Arizona - has again slowed down, but is been negative in California.



Source: U.S. Bureau of Labor Statistics • Shaded areas indicate recessions; employment levels normalized to 100 in Jan 2000.

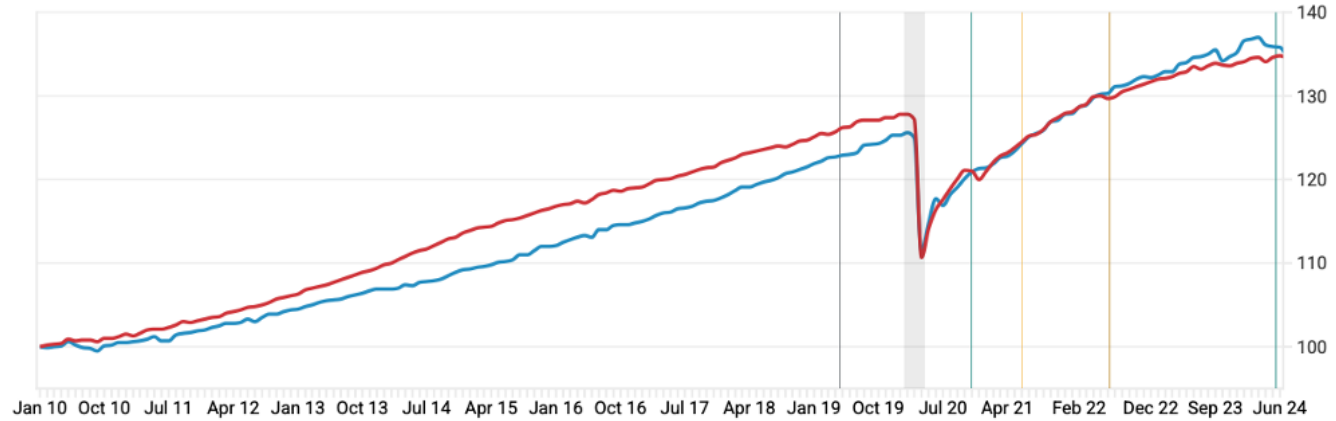
Other states are learning these lessons. After lagging the nation and more competitive states for cumulative economic growth for most of the last decade, Virginia has more recently been aggressive in repositioning itself as business- and growth-friendly. For example, Virginia decoupled from California's vehicle emissions standards at the end of 2024, which would have effectively required all new car sales to be zero-emission (or electric) by 2035.<sup>vii</sup> Though it is too soon to say unequivocally that the state has shifted to a higher-growth trajectory, some early evidence of success is emerging: manufacturing job growth has roughly doubled recently relative to pre-pandemic trends, and new business formation is up 50%. Both are promising indicators.

FIGURE 4

### Since 2019, Growth in Colorado Has Slowed Dramatically

Since 2019, average annual job growth in Colorado has slowed by more than 60%. Due entirely to its outperformance over the last 5 years, Arizona's labor market has now added more jobs than Colorado's since the Great Recession - a complete reversal from prior trends. Despite a recent slowdown in Arizona's labor market, Arizona has gone from a -5% deficit to beating Colorado for job growth in just five years.

■ Arizona Employment ■ Colorado Employment ■ CO Climate Action Plan ■ CO Family Leave Program ■ CO Building Energy Performance ■ CO Toxic Air Contaminants Act ■ CO Railroad Safety Act



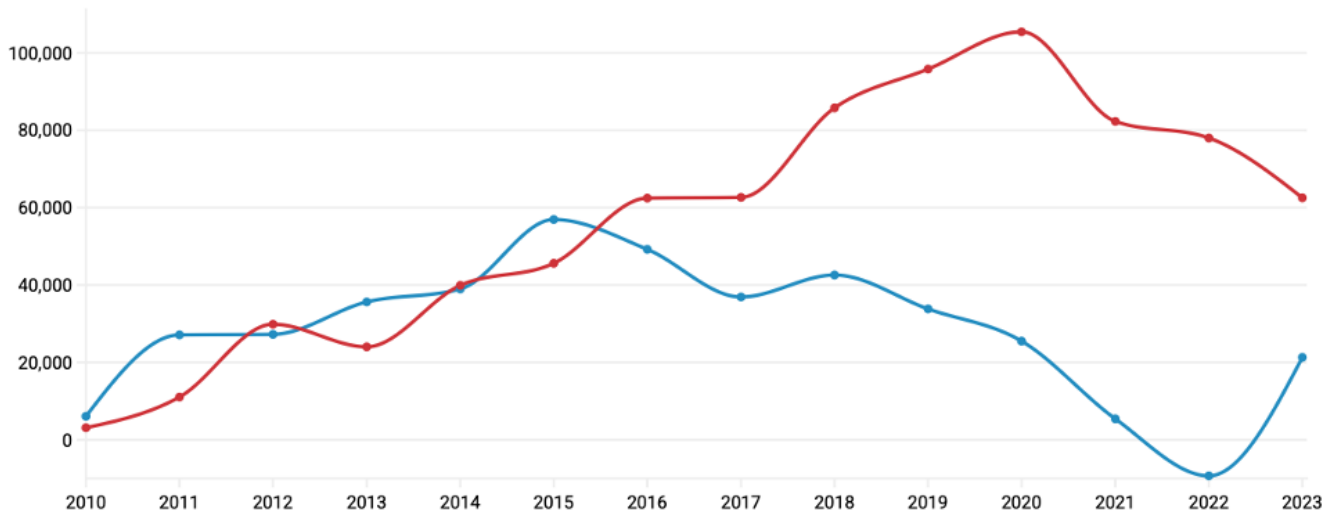
Source: CSI Colorado, U.S. Bureau of Labor Statistics • Note: CSI displays cumulative job growth in Arizona and Colorado since 2010, normalized to a starting value of 100.

FIGURE 5

### Colorado's Declining Attraction for Domestic Migrants

After mirroring Arizona for years, Colorado's pace of net domestic migration began to slow in 2015 - and has collapsed in recent years.

■ Colorado ■ Arizona



Source: U.S. Census Bureau American Community Survey

Colorado, on the other hand, continues to move backwards. Last year, CSI identified 22 'job killing' bills that have been enacted in Colorado since 2019 - up from 16 just a few years ago. During its 2024 and 2025 legislative sessions, Colorado only added to this list - it opted to further regulate both its nascent AI and datacenter market<sup>viii</sup>, and smaller, short-term health insurance plans intended to be low cost and temporary options<sup>ix</sup>; it has also imposed numerous new restrictions on its labor market<sup>x</sup>. Colorado also

enacted its "Railroad Safety Act", which imposed various new requirements on its railroad transportation sector.<sup>xi</sup> These new requirements have real economic consequences, not just for Colorado but regionally as well. About a third of all commercial cargo in the United States is transported by rail<sup>xii</sup>, and for some heavier commodities the shares are even larger (three-fourths of all new cars and trucks are moved by rail, as is 70% of coal)<sup>xiii</sup>. The decision to impose these new requirements was made despite an over 40% reduction in the railroad accident rate since 2000, according to the American Association of Railroads.

The changing fortunes of Colorado's natural resources sector remain a striking lesson for policymakers elsewhere. Like the manufacturing sector in California, there are natural and structural advantages Colorado enjoys in the petroleum and mining space. But too much policy abuse can poison even the most productive well.<sup>xiv</sup> Since 2019 and its adoption of strict oil and gas industry regulation, **job growth in Colorado's natural resources sector has slowed by more than 160% compared to the five years prior.**

Migration trends follow state policy trends. Since 2019, Arizona has attracted over five times as many annual domestic migrants as Colorado on average.

Despite the 2020 pandemic, global economic disruption, and slowing U.S. economic growth since 2022, Arizona has continued to enjoy strong economic growth during the 2020's – building on the inertia developed during the 2010's. The examples of Colorado, California, and other states are indicative of the importance of policy on these trends. Had Arizona gone in another policy direction more comparable to that of neighboring peer Colorado, and its growth over the past five years mirrored Colorado's, CSI estimates that Arizona would be considerably less economically competitive:

## What if Arizona had grown more like Colorado since 2019?

113,770

**Fewer workers in Arizona today, or 3.5% of the state's workforce.**

That works out to **\$8 billion** in foregone annual earnings for impacted workers.

\$18.6B

**Lost real Arizona GDP, or 4.2% of the state's entire economy.**

Businesses respond creatively to regulatory burdens to minimize economic impacts, often by moving activity.

# THE 2025 ARIZONA 'JOB KILLERS' LIST

In partnership with the Arizona Chamber Foundation, CSI Arizona identified 85 bills introduced during the 2025 Arizona regular legislative session that were either substantial tax increases, labor cost increases, new legal and administrative burdens, or other new fees and operating restrictions for Arizona businesses. Ultimately none of the bills on this list were enacted. However, the introduction and consideration of this and similar legislation is an [annual](#) exercise, and the trend (to consideration and passage from non-consideration) can change quickly. For example, before 2019 and as far as CSI has identified, Colorado had not enacted any of these bills, either. In just six years, though, the state managed to pass dozens. Every year, more are introduced, and it is now normal for at least a couple major new regulatory acts to be enacted every legislative session in Colorado. To implement these legislative mandates, Colorado's rulemaking agencies have created more than 14,000 new rules and administrative procedures in just the past half decade.<sup>xv</sup>

An initial econometric analysis using CSI's REMI simulation software **suggests enactment of the 88 bills identified and tracked by the Arizona Chamber would have imposed at least \$45.9 billion in new annual costs on Arizona<sup>1</sup>**. These new costs could reduce Arizona employment by 660,000 jobs (-20%); reduce real per-capita personal income by up to \$4,600/year (-7%); and reduce real state Gross Domestic Product by \$64 billion (-15%).

<sup>1</sup> CSI's analysis was limited to ~36 bills that directly increase taxes or fees in Arizona, repeal right-to-work, increase the minimum wage, or otherwise directly and quantifiably impact the cost of doing business. The fiscal impacts of these specific proposals were either readily identifiable (in the case of direct tax and fee impacts), or generally quantifiable using existing academic research (in the case of minimum wage increases and the repeal of right-to-work). The remaining proposals would impose additional burdens and those burdens would have associated costs but were not readily estimable for this report. The economic impacts cited should be considered conservative.

## 'Job Killers' By the Numbers



88

Tax Increases, Fees, and  
Mandates Introduced in 2025



**\$45.9 billion+**

New Business Operating  
Costs



**660,000**

Jobs Lost



**\$64 billion**

Annual Decrease in  
State GDP



Note, this analysis assumes sudden and simultaneous enactment of every possible new severe rule and regulation introduced which is arguably implausible. But enacting just a few of the introduced proposals could have dramatic results for the state's short- and long-run growth prospects. To reiterate: since 2019, Colorado has enacted only about a half dozen or so "job killing" bills during each legislative session, but the dramatic and ongoing change in its economic trajectory relative to Arizona is worth approximately 3.5% of this state's workforce (nearly 115,000 jobs) and 4.2% of the state's entire economy (\$19 billion in real annual Gross Domestic Product).

## Tax Increases

There were seven bills introduced during the 2025 legislative session that would have created new or significantly increased existing taxes on individuals and businesses. CSI estimates the total tax increase would have been more than \$3.7 billion.

Interestingly, the volume of potential tax increases introduced this year was much fewer – both in number and scope – than previously. This may speak to the political rather than substantive policy-related sensitivity of legislation like this, which is often introduced in response to trends of the moment than an underlying need to fix a clear and ongoing policy problem. Last year, topics like wealth taxes and rolling back the flat income tax were popular in the commentariat; today they've faded behind other more current issues, and the success of tax reform is harder to argue with.



Substantive tax increases introduced this year included:

## INCREASED SALES AND INCOME TAXES ON FINANCIAL TRANSACTIONS **\$3.4 BILLION**

Current law subjects corporate income to a 4.9% tax rate, and exempts the sales of stocks, bonds, and warranty contracts from TPT. HB 2592 would have increased the income tax rate to 5.5% and ended those sales tax exemptions. The bill as written was overbroad and likely unimplementable, but for this analysis we assume the sales taxes would apply only to final sales in Arizona, and on the capital gain – not the face value of the instrument.

**ELIMINATION OF SINGLE SALES FACTOR FOR CORPORATE INCOME****\$282.4 MILLION**

Because corporations generally don't limit operations to a single state, they are required to use relatively complex formulas to assign income to different states for the purpose of paying tax. Those assignments impact business and investment decisions, especially if they increase liability when a company expands productive operations. To reduce investment disincentives, three-fourths of states with a Corporate Income Tax overweight or single-weight the sales factor. HB2850 would have rolled back Arizona's single-weight sales factor formula, reducing tax incentives to invest here.

**\$1,000 MINIMUM CORPORATE INCOME TAX****\$39 MILLION**

Generally, taxpayers only pay a tax when they realize sales or income from a taxable activity – there are few if any poll or head taxes in the modern United States. However, Corporate Income Taxpayers are required to make a \$50 minimum payment if their liability would be less (or zero). HB2840 increases that minimum tax to \$1,000 – creating substantial tax liability even if the business is not generating any significant income.

**1% PAYROLL TAX ON MOST EMPLOYERS****\$48.4 MILLION**

Previously, Arizona had a "job training tax" – a 0.1% payroll surcharge to fund certain adult education programs for employee training. It was repealed in 2017. HB2751 would have established a new tax, but on 1% of payrolls on all companies employing at least 50 people. Payroll taxes are highly distortionary – they discourage employers from increasing payroll compensation, especially in the taxed jurisdiction. This means fewer jobs, and lower pay. There are more efficient ways to finance adult education; if the employee training is valuable, it can be provided privately (often by the employer directly).

Additional bills with components that increase state taxes and fees are identified in the full table of 'job killers' that accompanies this report.

## Labor Cost Increases

There were 16 bills introduced during the 2025 legislative session and identified by the Arizona Chamber as imposing new costs or mandates on how employers and employees interact. **CSI estimates the total economic cost of these new labor regulations would exceed \$30 billion.**

While many of these bills would have imposed potentially small or indeterminate new costs on employers, four have the potential to be particularly destructive to the Arizona economy, including the return of a particularly dangerous change: repeal of right-to-work, which has been Arizona law since 1947 and protects the rights of both employers and employees when it comes to union relationships.

Bills considered and rejected by the Arizona Legislature this year would pre-empt negotiation over broad swaths of the employer-employee relationship, including work schedules, wage and salary negotiations, the relationship between franchisers and franchisees, and more. If enacted, evidence from other neighboring states (California, Colorado, New Mexico, and others) tells us these requirements could dramatically slow employment and productivity growth in Arizona. CSI Colorado has identified over a dozen new employment-related regulatory policy changes created since 2019<sup>xvi</sup>. And last year, Michigan became the first state in six decades to repeal its right-to-work law<sup>xvii</sup>, a reminder that, like with the modern return of rent control rules, without constant reminder we risk forgetting the lessons of history and repeating past mistakes. These regulations can be particularly insidious because they privatize the costs of public regulation, often hiding the consequences from the public and policymakers.

Substantive labor cost increases introduced this year included:

### REPEAL OF RIGHT-TO-WORK

## \$18.6 BILLION

HB2501 would have repealed Arizona's 70-year-old right-to-work law, which gives workers the freedom to choose whether to join a labor organization at their new employer. In states without such protections, labor unions can require employers to operate "closed shops" where the employer agrees to hire only union members. A 2021 Harvard study notes "states with Right-To-Work (RTW) laws have experienced higher employment and population growth than states without such laws"<sup>xviii</sup>. CSI assumes – based on this and other similar research – that repeal of right-to-work in Arizona would after 10 years reduce the manufacturing share of employment by 3.2%; reduce overall employment by 1.6%; and reduce economic migration by 0.11%. Using the REMI simulation software<sup>xix</sup>, CSI estimates HB2501 would have reduced Arizona's employment by 3.9% and real Gross Domestic Product by 4.0% in 2033 (relative to its baseline). By imposing between \$15 and \$18 billion in new costs on Arizona businesses, the repeal of right-to-work is estimated to have the single largest negative economic impact of any of the proposals specifically quantified by CSI.

## MINIMUM WAGE INCREASES

### \$3.4-\$14.5 BILLION

Arizona already has one of the highest minimum wages in the country – at \$14.35/hour, it is the 11th highest statewide minimum and more than double the federal minimum.<sup>xx</sup> The current minimum wage is voter-protected and has been raised repeatedly at the ballot box over several years. It is also already indexed to the Consumer Price Index and therefore rises annually and automatically to keep pace with cost of living. There is broad consensus among academic economists that the minimum wage reduces employment and productivity growth, and harms long-run economic growth.<sup>xxi</sup> Though it may benefit minimum-wage earners who remain employed, it results in fewer workers overall, and fewer hours for those that remain.<sup>xxii</sup>

This year, in addition to a proposal raising the minimum way to \$18/hour (HB2289), Rep. Lorena Austin got unusually creative – proposing to *retroactively* increase the minimum to \$20/hour as of 2020 (HB2899). It's unclear how this was intended to work if enacted, but this analysis assumes the wage would apply proactively but at an inflation-adjusted rate as though it were \$20 in 2020.

## SCHEDULING, BREAK, AND OVERTIME STANDARDS

### \$1.5 BILLION

HB2502 would tighten already-existing federal and state rules that regulate employee schedules and overtime pay. Among other things, it would require employers to provide unpaid meal breaks even though employees may, for example, prefer to work through their mealtimes in exchange for shorter work days or higher compensation. Rigid statutory rules make it harder for employees and employers to negotiate mutually beneficial agreements that rule makers often fail to anticipate. This rigidity and efficiency loss imposes economic costs that should be considered before policies like this are enacted.

## HEAT ILLNESS PREVENTION

### \$1.2 BILLION

Arizona's Industrial Commission and the federal Occupational Safety and Health Administration regulate workplace safety, including in part by requiring employers be aware of the potential for heat-related illness. OSHA establishes general guidelines, and Arizona provides specific guidance via its Heat Illness Prevention Program.

HB2790 goes beyond these existing standards with a top-down mandate of unclear value: it establishes an annual heat training program requirement, and adds new supervisory and compliance mandates. Although HB2790 would almost certainly increase labor litigation, it's unclear how much benefit it would provide employees.

Additional bills with components that increase labor and hiring costs are identified in the full table of 'job killers' that accompanies this report.

## Energy and Environmental Cost Increases

Of the 85 bills tracked by the Arizona Chamber, CSI identified 16 that would impose new energy and environmental regulations. **CSI estimates the total economic cost of these new environmental regulations would exceed \$8 billion.**

Environmental rules are already a significant regulatory burden on American industry. In aggregate, it is estimated that nearly 2% of Gross Domestic Product is spent on compliance with existing state and federal environmental protection regulations.<sup>xxiii</sup> A meta-analysis of 12 Colorado statewide energy and environment policies enacted or considered since 2019 identified approximately \$1 billion in new annual compliance costs for that state's businesses, and Colorado has created at least 55 new energy and environmental regulatory policies since 2019.<sup>xxiv</sup> More recently, Arizona has regulated the construction of suburban housing in a poorly-conceived but well-intentioned move to conserve water – exacerbating the states ongoing housing affordability crisis and, ironically, potentially leading to *more* net water use. As always, policymakers must be cognizant of the potential for unintended consequences from regulation.

### ADOPTION OF CALIFORNIA VEHICLE EMISSIONS STANDARDS IN ARIZONA \$3.5 BILLION

By law, regulators in Arizona cannot prohibit the sale or purchase of vehicles based on their fuel type. HB2252 would repeal this consumer protection, and surrender Arizona's emissions control policies to California. California has adopted emissions policies that are the most restrictive in the country and are on track to effectively require all new vehicles sold in that state be electric or "zero-emission"<sup>xxv</sup>. This analysis assumes adoption of these standards here would ultimately increase the average new vehicle sales price by \$9,000 per car.

### 50% RENEWABLE ELECTRICITY GENERATION MANDATE \$2.2 BILLION

SB1389 would require Arizona's electric distribution utilities to generate at least 50% of their electricity from "renewable energy sources" by 2035. While proponents often claim that wind and solar are cheaper sources of electricity than conventional alternatives, these analyses ignore the intermittency inherent to this technology. After accounting for the additional costs required to account for this intermittency (both by building more base generating capacity, and by building redundant backup capacity in the form of either batteries or fast-cycle natural gas), a mandate like SB1389's would likely increase electricity costs by 44% - directly costing the state 14,000 jobs, \$1.1 billion in lost personal income, and a permanently reduced economic competitiveness position.

Additional bills with components that increase energy and environmental costs are identified in the full table of 'job killers' that accompanies this report.



## Legal & Administrative Cost Increases

CSI and the Arizona Chamber identified 55 of the 'job killing' bills as imposing new legal and administrative compliance burdens on Arizona businesses. **CSI estimates the total economic cost of these new general administrative regulations would exceed \$3.8 billion.**

A perennial favorite for regulators and policymakers, this year we saw particular interest in imposing new rules and regulations on the state's housing and rental markets. Though well-intended as a way to address high shelter costs, which have risen faster in the Phoenix area than anywhere else in the country, we know policies that limit the ability of the market to respond to rising housing demand can destroy cities over time.

### RENT CONTROL

## UP TO \$28 BILLION

HB2707 repeals statute pre-empting local jurisdictions from imposing rent control on their housing markets. Largely disappearing from state and local policymaking after being discredited in the 1970s, rent control policies have enjoyed a recent resurgence. However, there is broad and well-documented economic consensus that these policies are especially destructive to affected rental markets and tend to reduce both the quality and supply of available housing.<sup>xxvi</sup> Famously, Harvard economist Greg Mankiw called rent control "the best way to destroy a city, other than bombing". Though HB2707 on its own doesn't impose this self-destructive regimen, it does allow for it. Our impact analysis applies this [existing research](#) to the Arizona rental market to estimate the maximum potential economic losses such a policy might impose on the states housing market, if it were widely adopted.

### MANDATORY "CASH PAY"

## \$866 MILLION

HB2683 would have required Arizona retailers with at least one "physical location" to accept cash for payment on transactions of less than \$100. The introduction of this bill in Arizona follows a national trend of states considering and enacting mandatory cash payment options (including Colorado in 2021<sup>xxvii</sup>). However, these well-intentioned mandates often fail to consider the tradeoffs inherent in a business's decision to accept or refuse any form of payment, particularly on the margin.

Accepting cash is not costless. A business must purchase cash counting and storing equipment; hire staff to transport the staff from the business to its bank for deposit; account for losses due to accidental or deliberate mishandling; and account for the cost of the additional time required to process cash transactions. According to one industry study, administrative costs of accepting cash range from 4.7% to 15.3% per transaction, depending on the size and efficiency of the business's cash operation. For context, credit card processing fees typically range from 1% to 3%<sup>xxviii</sup>, and cashless pay options (like *Square*) typically charge fees in the 3.5% range.

Further, recall these are *average* costs. At the margin, costs can be much higher. A business traditionally set up to handle only cash transactions could have very high marginal costs associated with beginning to accept a small number of relatively low-dollar credit card transactions. Conversely, a business handling only cashless payments newly required to accept cash faces thousands of dollars in startup and ongoing costs to process (potentially) very few net new cash transactions – it must purchase new equipment, devote time to staff training and security and compliance, and develop new account relationships with its financial partners. Policymakers should consider that no business decision is made in a vacuum and no successful business deliberately excludes a potential customer.

## PRICE GOUGING PROHIBITION

**\$125.3 MILLION**

A now annual exercise in Arizona, state-funded and mandated leave programs have been popular in recent years. Seventeen states, including Colorado, have enacted these kinds of programs.<sup>xxix</sup> Various studies have linked the programs and the taxes that fund them to increased costs of doing business and reduced economic output. For example, a 2019 study by CSI Colorado estimated the cost of that state's new mandatory family leave program at \$1.3 billion annually.<sup>xxx</sup>

## RESTRICTIONS ON PHARMACY BENEFITS MANAGERS

**\$290 MILLION+**

The American healthcare and insurance system is highly complex, highly regulated, and very expensive. The process is often frustratingly opaque for patients, due to the involvement of various intermediaries between them and their healthcare providers. A pharmacy benefit manager is such an intermediary, who negotiates pharmaceutical benefit reimbursement rates on behalf of insurers and other payers – and because of this status, they make an easy villain. However, their role is important; the pharmacy has little incentive to negotiate lower drug costs, and patients rely on their insurance company or benefit plan to pay those costs on their behalf.

HB2208 – though well-intentioned – would increase benefit costs and also reduce incentives to seek to lower drug and pharmaceutical prices. Not only would this bill likely increase insurance costs directly (by an estimated \$290 million statewide), but also ultimately contribute to higher rates of healthcare inflation generally. And the primary beneficiaries would be not patients, but pharmacies. Similarly, SB1102 limits the types of coverage these managers can offer, and how they can update their contract terms. By removing or limiting incentives by payers and providers to limit costs, these kinds of policies can inadvertently raise prices, or pick winners and losers.

## NEW EFFICIENCY REQUIREMENTS FOR PLUMBING FIXTURES

### \$110.7 MILLION

HB2253 would require new plumbing fixtures sold or installed in the state to meet a specific, high-efficiency requirement that exceeds current state and minimum standards. In addition to reducing the effectiveness of the appliance itself, these new fixtures are generally significantly more expensive than other options. The net effect of this kind of mandate is higher costs to consumers for new plumbing work; less effective plumbing appliances; and shorter useful appliance lives leading to more frequent repairs and replacements.

These high-efficiency reforms are generally sold as being net-savings for consumers, considering the reduced water use of the new fixture. But for that to work, numerous assumptions must hold: the appliance must last years without repair or replacement, and the user must not make other changes to compensate for reduced water flow (like taking longer showers). At this point, the easiest efficiency improvements have already been made, and further gains often come at high cost. This kind of accounting is best made by consumers and producers in the marketplace, based on individual preferences, cost, and technical ability.

Additional bills with components that increase administrative and legal costs are identified in the full table of 'job killers' that accompanies this report.

## Workforce & Education Cost Increases

CSI and the Arizona Chamber identified 1 of the 'job killing' bills as imposing new education and workforce training costs on Arizona businesses, in addition to one primarily tax-related bill that also has a significant workforce training component. **CSI estimates the total economic cost of these new education mandates would exceed \$45.7 million.**

### TUITION SURCHARGE FOR FINANCIAL AID

### \$45.7 MILLION

HB2752 would have required the Arizona Board of Regents (ABOR) to assess a \$300 annual tuition surcharge on all non-resident students at the state's public universities, to subsidize qualifying in-state students' tuition.

ABOR and the regulated public universities already enjoy considerable authority both in setting tuition and offering financial aid. Depending on market conditions, the universities already set their tuition for out-of-state students considerably higher than for similar in-state students, and that differential is used to support various university operations – including financial aid. On average, in fact, CSI estimates that non-resident students are paying between two-and-a-half and three times the tuition rates of in-state students.<sup>xxxix xxxii</sup>

This mandatory surcharge would interfere with the current price-setting practices and may have unintended consequence of *reducing* non-resident student enrollment to the point that resource losses exceed the gains to this new fund.

## THE BOTTOM LINE

Arizona stands at a crossroads. After a decade that brought generational change, job growth has stalled, and the economy has slowed. The lessons are clear: there are pro-growth policies, and policies that hurt growth. Too often, the search for villains – developers or data centers being blamed for water shortages, or investors and short-term-rentals for housing market woes – deflects from real problems and leads to harmful policies.

This year's edition of this annual update is an important reminder of the stakes.

# APPENDIX 1: 'JOB KILLERS' BILL LIST

Bill Number	Short Title	Summary	Type of Bill	Impact	What's the Impact?
HB2047	judicial appraisal; costs; attorney fees	In appraisal proceedings court cases involving dissenters' rights, court costs, attorney fees, and expert expenses assessed against a corporation apply to the corporation, surviving corporation, or resulting corporation after a sale, merger, or acquisition.	Legal & Administrative	Increased legal costs	Imposes costs on parties of a civil preceeding through regulatory intervention.
HB2683	businesses; requirement to accept cash	Requires retail businesses with physical locations in Arizona to accept cash as a form of payment for goods and services valued at \$100 or less. Businesses cannot charge fees or penalties for cash payments. Individuals denied this right may bring a civil action, with violators subject to damages, including attorney fees. Exceptions include contracts specifying payment methods and online sales.	Legal & Administrative	\$865,735,918	Imposes unnecessary handling costs on businesses who lack the infrastructure to accept and handle cash.
HB2696	critical Infrastructure; foreign adversary; prohibition	Prohibits the use of software and critical communications infrastructure equipment produced by entities headquartered in or controlled by foreign adversaries. Bans governmental contracts with vendors of Wi-Fi routers, modems, and traffic enforcement cameras linked to foreign adversaries. Requires critical infrastructure service providers to certify compliance with these restrictions. Requires the Attorney General to publish a list of prohibited equipment annually. Restricts the sale, transfer, or investment in critical infrastructure to foreign adversaries, and allows the Attorney General to seek injunctions against such transactions if they pose a security risk.	Legal & Administrative	Increased regulatory costs	Imposes substantial and duplicative regulatory risk on Arizona companies, including the possibility of increased litigation risk and movement of investment outside the state. This is largely covered by existing federal law.
SB1023	critical infrastructure; prohibited agreements	Prohibits businesses in Arizona from entering into agreements involving critical infrastructure in the state with companies owned or controlled by citizens of China, Iran, North Korea, or Russia, or companies headquartered in these countries. Does not apply if the Committee on Foreign Investment in the United States determines that there are no unresolved national security concerns or if the citizens are also U.S. citizens.	Legal & Administrative	Increased legal costs	Imposes substantial and duplicative regulatory risk on Arizona companies, including the possibility of increased litigation risk and movement of investment outside the state. This is largely covered by existing federal law.
SB1027	critical telecommunications infrastructure; construction requirements	Prohibits the construction of critical telecommunications infrastructure in Arizona using equipment manufactured by federally banned corporations or entities associated with foreign adversaries, including China, Russia, Iran, North Korea, Venezuela, and Syria. Existing infrastructures must remove and replace such prohibited equipment. Telecommunications providers removing or replacing this equipment are exempt from obtaining additional permits from state agencies or political subdivisions. Effective January 1, 2026.	Legal & Administrative	Increased regulatory costs	Imposes substantial and duplicative regulatory risk on Arizona companies, including the possibility of increased litigation risk and movement of investment outside the state. This is largely covered by existing federal law.



Bill Number	Short Title	Summary	Type of Bill	Impact	What's the Impact?
SB1102	pharmacy benefits; prescribing; exemption	Establishes new requirements and prohibitions for pharmacy benefit managers (PBMs) and health care insurers. It prohibits PBMs and insurers from limiting or excluding coverage for a previously approved prescription drug for covered individuals who remain enrolled under the same plan, with coverage continuing through the plan year. It also mandates that any formulary changes impacting drug coverage must be communicated to affected individuals and their health care providers at least 60 days in advance, including the process for requesting continued coverage of removed drugs. Additionally, the legislation requires a clear process for requesting formulary exceptions, with specific criteria and timelines for responding to such requests. Applies to contracts and policies entered into, amended, or renewed beginning January 1, 2026.	Legal & Administrative	\$8,592,895	Increases costs on PBMs and insurance companies by mandating they cover certain drugs even if cheaper alternatives are available.
HB2161	greenhouse gas programs; repeal prohibition.	Repeals statute that prohibits state agencies from regulating greenhouse gas emissions without express legislative authorization.	Energy & Environmental	\$706,000,000	Opens the door for state agencies to regulate greenhouse gas emissions similar to states like California, increasing electricity costs.
HB2199	prescription drugs; advertising; requirements	Requires advertisements for human prescription and nonprescription drugs in television, radio, or internet formats to present statements about side effects and contraindications at the same volume, articulation, and pacing as the rest of the advertisement. Prohibits the inclusion of audio or visual elements likely to interfere with understanding this information.	Legal & Administrative	\$18,126,073	Unnecessarily increases costs to advertise prescription drugs.
HB2208	pharmacists; pharmacies; reimbursement costs; appeals	Prohibits pharmacy benefit managers (PBMs) from reimbursing pharmacists or pharmacies under contract with them for prescription drugs or devices at a rate lower than the actual cost paid by the pharmacist or pharmacy. Requires PBMs to pay professional dispensing fees at or above rates specified in the state plan for medical assistance. Requires PBMs to include in their contracts an appeal process for reimbursement rates, and outlines procedures for resolving disputes, including provisions for updating rates and allowing claim rebilling if appeals succeed. Specifies that findings from successful appeals must apply to "similarly situated pharmacists and pharmacies" (defined). Applies to contracts entered into, amended, extended, or renewed on or after December 31, 2025.	Legal & Administrative	\$290,000,000	Increases health insurance costs by shifting costs from pharmacies to PBMs and insurers.
HB2240	citizen suits; environment	Modifies the conditions under which citizens can file environmental lawsuits. Reduces the required notice period for alleged violations from 120 days to 60 days, permits courts to award litigation costs to prevailing parties when appropriate, and allows the Arizona Department of Environmental Quality to intervene in citizen-initiated actions as a matter of right, if not a party to the suit. Specifies that civil penalties collected in these cases will be deposited in designated environmental funds.	Energy & Environmental	\$1,611,648,562	Increases legal costs by expanding legal standing to any citizen to sue any person, organization, or political subdivision for violation of environmental laws.
HB2241	energy measuring; reporting prohibition; repeal	Repeals statutes that prohibited counties and municipalities from requiring businesses and multifamily housing properties to measure and report energy usage and consumption.	Legal & Administrative	Increased energy costs	Imposes costs on businesses and property owners to report energy usage and consumption, and opens the door for further regulator encroachment.

Bill Number	Short Title	Summary	Type of Bill	Impact	What's the Impact?
HB2242	utilities; restrictions; prohibitions; preemption; repeal	Repeals statutes prohibiting counties and municipalities from restricting or prohibiting a person's or entity's ability to use the services of a utility provider that is capable and authorized to provide utility service at the person's or entity's property. Deletes the state preemption of local regulations related to utility providers.	Legal & Administrative	Increased utility costs	Potentially increases costs to property owners by allowing municipalities to regulate the provision of public utilities such as water and electricity.
HB2252	vehicle emission standards; waiver; rules	Repeals statute that prohibits the state, counties, municipalities, and political subdivisions from restricting the use or sale of a vehicle based on the vehicle's energy source. Requires the Arizona Department of Environmental Quality to adopt vehicle emissions standards for model year 2028 and newer vehicles that are identical to standards approved by the California Air Resources Board, provided the U.S. Environmental Protection Agency has granted a waiver for those standards.	Energy & Environmental	\$3,474,000,000	Increases costs for new vehicles by adopting California's environmental regulations.
HB2253	water efficient plumbing fixtures	Prohibits, beginning January 1, 2027, the sale, distribution, or installation of plumbing fixtures in new or existing residential, commercial, industrial, or public construction unless the fixture is a WaterSense-labeled fixture or meets or exceeds the water efficiency criteria established before January 1, 2027 by the WaterSense program. Some exceptions. Effective January 1, 2027.	Legal & Administrative	\$110,770,000	Increased housing and plumbing costs by mandating that Watersense-labeled fixtures be installed in all new housing units or new installations.
HB2260	employers; unpaid wages; penalties	Increases the penalty for employers who fail to pay wages due to employees to five times, instead of triple, the amount of unpaid wages.	Legal & Administrative	\$11,417,733	Increased costs to businesses by raising the amount of back-paid wages that must be paid to an employee in a civil action.
HB2283	emergencies; price regulations; unlawful practices	Prohibits price increases exceeding 10 percent for specified goods and services, including building materials, emergency supplies, and medical supplies, during a state or local emergency and for 30 days afterward, unless directly attributable to increased costs. Establishes civil penalties for violations and allows affected individuals to recover triple damages, attorney fees, and costs. Requires advertisements to include mandatory fees or charges in the price, and to include clear refund policies, with penalties for non-compliance.	Legal & Administrative	\$125,280,000	Reduces goods availability and leads to potential shortages during times of emergency due to limitations on price increases.
HB2285	prohibited agreements; public works contracts	State agencies and political subdivisions are no longer prohibited from requiring in public works contracts that a contractor negotiate or otherwise become a party to any project labor agreement.	Labor Costs	Increased labor costs	Potentially increases labor costs for state contracts.
HB2289	minimum wage increase	Increases the minimum wage to \$18 per hour starting January 1, 2025. Adjusts the minimum wage annually based on the cost of living, beginning January 1, 2026. Because this statute is voter protected, this bill requires a 3/4 vote of the members of each house of the Legislature to pass.	Labor Costs	\$3,362,608,044	Increases labor costs to business owners and lowers employment.
HB2337	rent regulation; state preemption.	Repeals statute stating that counties and municipalities do not have the power to control rents.	Legal & Administrative	Up to \$288	Allowing municipalities to impose rent controls reduces rental income and decreases housing availability.

Bill Number	Short Title	Summary	Type of Bill	Impact	What's the Impact?
HB2352	auxillary containers; regulation; prohibition; repeal	Repeals the prohibition on local governments enacting or enforcing local regulations on auxiliary containers, such as plastic bags and foam containers.	Legal & Administrative	\$180,234,868	Imposes costs on consumers by potentially eliminating the use of disposable plastic bags.
HB2360	home purchase; corporate buyer restriction	Prohibits corporations from purchasing single-family residences unless the property has been on the market for over 60 days or if the asking price is changed. A change in the asking price resets the 60-day period.	Legal & Administrative	\$666,000,000	Reduces investment in housing improvement, leading to higher rents and potentially higher home prices in the long-run.
HB2361	collective bargaining; warehouse employees; quotas	Requires employers in warehouse distribution centers with more than 100 employees at a single site, or 500 across multiple sites in the state, to provide employees with a written description of any quota or change in quota, and any incentive or bonus or potential adverse employment action for meeting or failure to meet a quota. Quotas must include time for rest breaks, meal breaks, and time to use the bathroom. Employees are allowed to request information regarding quotas and work speed data, and employers are required to provide such information within specified timeframes. Mandates joint labor management safety committees for certain employers based on employee numbers or injury rates. Authorizes enforcement and penalties for noncompliance and creates a private right of action for affected employees.	Labor Costs	Increased legal & labor costs	Impacts employers by requiring additional administrative work in order to manage their labor force.
HB2365	corporate income tax; disclosure; database	Requires publicly traded corporations doing business in Arizona to file annual disclosure statements with the Arizona Corporation Commission. These statements must include detailed financial information such as gross income, taxable income, deductions, apportionment factors, and tax credits, among other specifics. The disclosed information will be made publicly available in a searchable online database. Corporations not required to file Arizona tax returns may submit alternative statements with specified information. The Commission is authorized to adopt rules, prescribe forms, and enforce penalties for non-compliance or inaccurate filings.	Legal & Administrative	Increased regulatory costs	Increased compliance costs to corporations operating in Arizona.
HB2367	environmental permitting; requirements; burdened communities	Requires the Department of Environmental Quality to adopt a list of burdened communities in Arizona within 120 days after the effective date of this legislation. Establishes requirements for permitting new facilities or the expansion of existing facilities in burdened communities, including the preparation of an environmental impact report, public hearings, and consideration of community support.	Legal & Administrative	\$140,000,000	Increases utility costs and potentially prevents the building or expansion of new facilities within certain census tracts.
HB2416	unlawful act; government official; challenge.	All citizens of Arizona have a right of action and standing to challenge any unlawful act by any government official.	Legal & Administrative	Increased legal costs	Increases legal costs by granting any Arizona citizen standing to sue a government official for unlawful acts committed in their official capacity.
HB2496	citizenship status; licensure; documentation	Prohibits state agencies and political subdivisions from requiring documentation of citizenship or alien status for individuals applying for a license, and allows the use of a federal tax identification number instead of a social security number for license applications. Repeals statute requiring proof of authorized presence in the United States to receive a license from a state agency or political subdivision.	Legal & Administrative	Increased legal costs	Increases legal costs for the state by violating federal law regarding employment eligibility. Potentially increases drug and human trafficking.

Bill Number	Short Title	Summary	Type of Bill	Impact	What's the Impact?
HB2501	repeal; right to work; liability	Repeals statute that prohibits a person from being denied employment because of nonmembership in a labor organization. Conditionally enacted on the state Constitution being amended by the voters at the 2026 general election by passage of a House Concurrent Resolution (blank number) relating to the right to work.	Labor Costs	\$18,661,000,000	Reduces overall economic growth and increases labor costs within the state.
HB2502	employment; labor standards; meal breaks	Employers are required to provide unpaid meal breaks and paid rest breaks to employees based on the number of hours worked. Employers are required to provide overtime pay at 1.5 times the employee's regular rate for hours worked beyond 8 up to 12 hours in a day, as well as for the first 8 hours worked on the 7th consecutive day in a workweek, and at double pay for hours worked beyond 12 in a day or beyond 8 on the 7th consecutive day in a workweek. Declares that employers with annual sales of \$100,000 or engaging in interstate commerce are subject to the Fair Labor Standards Act of 1938.	Labor Costs	\$1,437,399,035	Impacts private businesses by increasing costs to retain employees and conform to workers laws.
HB2538	rental housing; income source discrimination.	Landlords are prohibited from using the source of income of a prospective or current tenant to refuse rental, evict or terminate the rental agreement, discriminate in terms of price or privileges, discourage renting, misrepresent availability, coerce or interfere with rights, or induce others to violate these provisions. Landlords are required to subtract any rent voucher or subsidy from the total monthly rent when determining if income criteria have been met.	Legal & Administrative	Increased housing costs	Imposes administrative and legal costs, among others, on landlords. Potentially reduces the availability of rental housing.
HB2558	vacation rentals; number; population; cap	Allows cities, towns, and counties to limit the number of vacation rentals or short-term rentals through population-based limits or an overall cap on the number of vacation rentals or short-term rentals in the city, town, or county.	Legal & Administrative	Up to \$2.0B	Reduces the earning potential for home owners in the state.
HB2589	employers; contracts; noncompete clause; prohibition	Prohibits both public and private employers from requiring current or prospective employees to agree to noncompete clauses as a condition of employment. Applies to contracts entered into on or after the effective date of this legislation.	Legal & Administrative	Increased labor costs	Impacts private businesses and increases the costs to employers to retain employees
HB2592	taxation; repeal; selected exemptions	Increases the corporate income tax rate to 5.5 percent of net income for taxable years beginning with 2026, replacing the current rate of 4.9 percent. Repeals exemptions from the transaction privilege tax on retail sales for sales of warranty of service contracts and sales of stocks and bonds. Because this bill potentially increases state revenue, it requires a 2/3 vote of the members of each house of the Legislature to pass and becomes effective immediately on the Governor's signature.	Tax & Public Finance	\$3,408,843,637	Imposes higher taxes on corporations operating in the state and any individual engaging in the buying or selling of stocks and bonds.
HB2682	public policy; wage contracts; repeal.	Repeals statute that prohibited public works contracts from having wage rate requirements, requiring labor agreements, or requiring neutrality agreements with labor organizations.	Labor Costs	Increased labor costs	Allows state contracts to require entrance into programs that increase labor costs to private businesses.
HB2722	public resources; expenditures; prohibition	Limits the ability of state and local government entities to make expenditures that aid or support private development.	Legal & Administrative	Reduced economic development	The ACA economic development pipeline, for context, is worth up to \$57 billion in new annual GDP. The loss of some or all of that pipeline would reduce commensurately economic growth.

Bill Number	Short Title	Summary	Type of Bill	Impact	What's the Impact?
HB2751	employer surcharge; workforce development	Establishes the Community College Apprenticeship and Workforce Development Program Fund, administered by the Office of Economic Opportunity, to support workforce training at community colleges. Imposes a surcharge on businesses, corporations, and small businesses with 50 or more employees of 1 percent of payroll taxes paid, beginning with tax year 2026. Requires revenue collected from the surcharge to be deposited into the Fund. Because this bill potentially increases state revenue, it requires a 2/3 vote of the members of each house of the Legislature to pass and becomes effective immediately on the Governor's signature.	Tax & Public Finance	\$48,443,622	Increases the taxes paid by employers with 50+ employees.
HB2752	financial aid program; tuition surcharge	Establishes the Arizona Higher Education Financial Aid Program and the Arizona Higher Education Financial Aid Program Fund, administered by the Arizona Board of Regents (ABOR). Requires ABOR to assess a \$300 annual tuition surcharge on nonresident students, with monies deposited in the Fund and used to provide financial aid to qualifying Arizona resident students enrolled in state universities or community colleges who maintain a minimum 2.0 GPA. ABOR is required to distribute funds on a first-come, first-served basis if insufficient funds are available. Appropriates \$500,000 from the state general fund in FY2025-26 to the Fund. Because this bill potentially increases state revenue, it requires a 2/3 vote of the members of each house of the Legislature to pass and becomes effective immediately on the Governor's signature.	Workforce & Education	\$45,695,600	Increased education costs to out-of-state students.
HB2757	essential drugs; price increases; limits	Prohibits manufacturers and wholesale distributors from engaging in price gouging for essential off-patent or generic drugs. Authorizes the State Medical Assistance Program to notify the Attorney General of price increases exceeding 50 percent within one year. Requires manufacturers to provide cost breakdowns and justifications to the Attorney General upon request. Grants the Attorney General authority to seek court orders for compliance, consumer restitution, and imposing civil penalties of up to \$10,000 per violation.	Legal & Administrative	Increased regulatory costs	Impacts consumers by placing a price control on essential drugs that may lead to a shortage of necessary medicine.
HB2780	landlord tenant; evictions for cause	Prohibits landlords from terminating or refusing to renew a rental agreement for tenants who have maintained a tenancy of 12 months or more unless the tenant fails to pay rent, materially breaches the rental agreement, or the landlord or an immediate family member intends to reside in the rental unit, or the landlord removes the property from the rental market. Requires landlords terminating a lease for personal occupancy or market withdrawal to provide the tenant with one month's rent as relocation assistance or waive one month's rent.	Legal & Administrative	Increased housing costs	Increases costs for landlords and reduces the availability of rental property.
HB2789	elevator requirements; construction project; employees	Requires construction projects designed to be at least 60 feet above ground level or 48 feet below ground level to include an elevator for employee use.	Legal & Administrative	\$26,900,000	Increases construction costs for certain buildings by requiring the installation of construction elevators.



Bill Number	Short Title	Summary	Type of Bill	Impact	What's the Impact?
HB2790	working conditions; heat illness; prevention	The Industrial Commission of Arizona is required to establish heat illness prevention standards for indoor and outdoor workplaces in industries vulnerable to extreme heat. Employers must provide potable water, shade, climate-controlled rest areas, and paid cool-down periods when temperatures exceed 80 degrees Fahrenheit. Employers must implement high-heat procedures at 90 degrees and provide additional protections during heat waves. Workers must receive annual training on heat-related illness prevention, and employers must develop emergency response plans. Grants employees a private right of action to enforce compliance and prohibits employer retaliation.	Labor Costs	\$1,208,440,860	Impacts private businesses by increasing regulations and the cost of conforming to safety standards that have minimal impact on the average worker.
HB2802	checkout bags; penalty; enforcement; reporting	Repeals statute that restricted local governments from regulating checkout bags. Prohibits retail establishments from providing single-use checkout bags to customers. Allows retailers to sell reusable fabric, recycled paper, and reusable plastic bags for at least \$0.05 per bag, with exceptions for promotional giveaways and customers using public assistance programs. Requires retailers to report bag sales and fees collected to the Arizona Department of Environmental Quality (ADEQ). Establishes civil penalties for violations and permits local governments to impose additional penalties or higher bag fees. ADEQ is required to submit a report on the impacts of this legislation to the Governor and the Legislature by December 31, 2032. Effective January 1, 2029.	Legal & Administrative	\$180,234,868	Imposes costs on consumers by potentially eliminating the use of disposable plastic bags.
HB2838	landlord tenant; judgment; fees; satisfaction	Makes various changes to residential landlord and tenant statutes. Revises the calculation of unpaid rent for judgments in eviction cases, limiting it to the prorated amount of rent corresponding to the tenant's actual possession of the premises rather than the full periodic rental period. Establishes a maximum late fee for tenants of \$50 or 5 percent of the unpaid rent for the period of nonpayment, whichever is greater. Prohibits requiring tenants to pay attorney fees or court costs as a condition of reinstating a rental agreement before the filing of an eviction action.	Legal & Administrative	Increased housing costs	Increases the costs of providing housing for rent by limiting late fees, changing the calculations for back rent owed during eviction cases.
HB2839	landlord tenant; rental amounts	Limits annual rent increases to the sum of the annual consumer price index rate plus three percent, with a maximum increase of seven percent. Requires the Office of Economic Opportunity to provide the consumer price index rate annually to the Arizona Department of Housing (ADOH). Requires ADOH to apply the rent increase limit, investigate tenant complaints, and refer violations to the Attorney General. Establishes that a knowing violation constitutes an unlawful practice under consumer protection laws.	Legal & Administrative	\$982,207,999	Reduces rental income, reduces the supply of rental properties, and potentially leads to increased rental costs in the long-run.
HB2847	rental price fixing; algorithmic pricing	Prohibits individuals in the state from using algorithmic price fixing to determine rental rates. Establishes a rebuttable presumption of an antitrust violation if the Attorney General proves that a person used algorithmic pricing that included nonpublic competitor data, was used to set or recommend rental rates, and was employed by at least two competitors in the same market. Allows defendants to rebut this presumption with clear and convincing evidence that they did not develop or distribute the algorithm and lacked knowledge of its inclusion of nonpublic competitor data. Requires the Attorney General to enforce these provisions.	Legal & Administrative	Increased housing costs	Increases the costs of providing housing for rent by opening up landlords to legal action for using certain pricing mechanism.

Bill Number	Short Title	Summary	Type of Bill	Impact	What's the Impact?
HB2848	single-family residence purchases; limitations	Prohibits county recorders from recording a deed for a single-family residence purchased by a corporation or limited liability company (LLC) unless the deed clearly states that the residence is not the primary residence of the owner, and the entity registers the deed with the Arizona Corporation Commission (ACC). Exempts entities that own fewer than ten single-family residences in Arizona. Caps the total number of single-family residences that may be purchased by a corporation or LLC in any county at five percent of a county's total single-family residences, and limits the total number of single-family residences in a county with a population of 400,000 or more that may be purchased by a corporation or LLC to 100 per calendar year. Directs the ACC to establish a registry of corporate property owners, enforce penalties for noncompliance, and deposit collected penalties into the Housing Trust Fund. Requires the ACC to submit an annual report to the Governor and the Legislature identifying corporate property acquisitions and sales of single-family residences.	Legal & Administrative	\$666,000,000	Imposes administrative costs on business property owners and leads to a reduction in the supply of rental housing.
HB2850	corporate tax; business income; allocation	Eliminates the option for corporations to elect to apportion business income based solely on the sales factor beginning January 1, 2026. Beginning with tax year 2026, for tax purposes, sales other than sales of tangible personal property, are sourced to Arizona if the taxpayer's market for sales is in the state. Establishes criteria for determining the market location for various types of sales, including sale or rental of real property, rental of tangible personal property, loans, financial services, and intangibles.	Tax & Public Finance	\$282,421,400	Increases taxes on corporations operating in Arizona.
HB2893	data centers; qualification period; distribution	Establishes the On-Farm Irrigation Efficiency Program to provide grants for installing irrigation systems that reduce water usage. Requires the University of Arizona Cooperative Extension to administer the Program and distribute funds, prioritizing projects that maximize water conservation and efficiency. Limits grants to \$1 million per applicant and \$1,500 per acre. Requires recipients to document water savings and commit to using the new irrigation system for at least three years. For ten years after the qualification period for tax relief for computer data centers expires, 50 percent of revenues collected from data centers are allocated to the Water Conservation Grant Fund and 50 percent are allocated to the On-Farm Irrigation Efficiency Fund.	Tax & Public Finance	Increased regulatory costs	Reduces State General Fund revenues by diverting State TPT revenues from data centers that qualified for tax relief following their qualification period.
HB2899	minimum wage; increase; definitions	Increases the minimum wage to \$18 per hour starting January 1, 2020. Increases the minimum wage by \$1 per hour after the annual increase based on the cost of living, once on January 1, 2026, and again on January 1, 2027. Requires employers to pay tipped employees at least \$2 per hour less than the minimum wage in 2027, at least \$1 per hour less than the minimum wage in 2028, and the minimum wage starting January 1, 2029. Savings clause. Severability clause. Because this statute is voter protected, this bill requires a 3/4 vote of the members of each house of the Legislature to pass.	Labor Costs	\$14,491,188,262	Increases labor costs to business owners and lowers employment.

Bill Number	Short Title	Summary	Type of Bill	Impact	What's the Impact?
HB2902	corporate income tax; minimum	Establishes a minimum tax amount of \$1,000 for corporations with 50 or more employees that are not otherwise exempt from tax. Applies to tax years beginning with 2026. Because this bill potentially increases state revenue, it requires a 2/3 vote of the members of each house of the Legislature to pass and becomes effective immediately on the Governor's signature.	Tax & Public Finance	\$39,000,000	Increases taxes for corporations with a tax liability in Arizona.
HB2909	overtime pay	Requires employers to pay overtime-exempt employees in administrative, executive, or professional roles a salary that meets or exceeds the 40th percentile of weekly earnings for full-time non-hourly workers in the lowest-wage census region, as determined by the Industrial Commission of Arizona. Exempts teachers, licensed medical professionals, and attorneys from the salary threshold requirement. Requires the Commission to adjust the minimum salary every three years based on federal labor statistics.	Labor Costs	Increased labor costs	Increases labor costs by raising the salary threshold for FLSA exempt employees and requiring those employers to pay affected employees additional overtime pay.
HB2910	wage disclosure; employee rights	Prohibits employers from requiring employees to keep their wage information confidential as a condition of employment. Prohibits employers from retaliating against employees for discussing or disclosing wages or for asserting their rights under this law. Prohibits employers from inquiring about a prospective employee's wage history before extending a compensation offer unless voluntarily disclosed. Extends the statute of limitations for wage discrimination claims from six months to one year and prohibits employers from using an employee's prior wage history as a defense in wage discrimination cases.	Labor Costs	Increased labor costs	Impacts employers and increases the time it takes to hire employees and screen them properly.
HB2912	employment; employee salary	Prohibits employers from requiring employees to keep their wage information confidential as a condition of employment. Prohibits employers from retaliating against employees for discussing or disclosing wages or for asserting their rights under this law. Prohibits employers from inquiring about a prospective employee's wage history before extending a compensation offer unless voluntarily disclosed. Establishes civil penalties for violations and allows affected employees to seek damages, reinstatement, or unpaid wages through civil action. Extends the statute of limitations for wage discrimination claims from six months to one year and prohibits employers from using an employee's prior wage history as a defense in wage discrimination cases.	Labor Costs	Increased labor costs	Impacts employers and increases the time it takes to hire employees and screen them properly. Increases potential legal costs for employers.
HB2924	trade; commerce; deceptive methods; pricing	Prohibits deceptive trade practices in commerce, including false advertising, misleading price reductions, and misrepresentations about the origin, quality, or sponsorship of goods and services. Bans coercion, misleading contract terms, and false claims about product necessity or safety. Prohibits businesses from falsely claiming a product is free, failing to disclose material facts, or charging grossly excessive prices. Requires businesses to disclose conditions for prizes tied to sales presentations. Restricts the use of misleading environmental claims and deceptive affiliations in live musical performances. Authorizes the Attorney General to adopt rules for enforcement.	Legal & Administrative	Increased regulatory costs	Imposes legal costs on businesses and reduces goods availability by implementing price controls.
HB2940	price tags; unfair pricing; penalties	Requires businesses to include all mandatory fees or charges in advertised prices for goods and services. Prohibits businesses from increasing prices by more than 10 percent during a declared state of emergency. Bans the use of digital shelf labels. Authorizes the attorney general to investigate violations and impose civil penalties up to \$5,000.	Legal & Administrative	\$125,280,000	Reduces the availability of goods and leads to potential shortages during times of emergency.

Bill Number	Short Title	Summary	Type of Bill	Impact	What's the Impact?
HCR2009	unlawful act; government official; challenge	Proposes to establish in statute that all citizens in Arizona have the right to challenge any unlawful act by a government official in their official capacity. If passed by the Legislature, this legislation will be submitted to the voters at the 2026 general election.	Tax & Public Finance	Increased legal costs	Increases legal costs by granting any Arizona citizen standing to sue a government official for unlawful acts committed in their official capacity.
HCR2029	right to work; repeal	Repeals the right to work without membership in a labor organization contained in the state Constitution. If passed by the Legislature, this legislation will be submitted to the voters at the 2026 general election.	Labor Costs	\$18,661,000,000	Reduces overall economic growth and increases labor costs within the state.
HCR2032	short-term rentals; vacation rentals.	Repeals statute prohibiting counties and municipalities from regulating vacation rentals and short-term rentals. Statue entitling a property owner to just compensation from the state or a political subdivision if a land use law reduces the fair market value of the property does not apply to land use laws that regulate a vacation rental or short-term rental. If passed by the Legislature, this legislation will be submitted to the voters at the 2026 general election.	Legal & Administrative	Up to \$2.0B	Reduces income earning potential for property owners, and discriminates against short-term-rental owners with regards to compensation for value reductions.
SB1019	photo enforcement systems; prohibition	Prohibits the use of photo radar systems to catch speeding and other traffic control violations.	Legal & Administrative	Up to \$160M	Automated traffic control systems can improve traffic safety, reduce insurance costs, and generate jobs and economic activity. The loss of Arizona's share of that industry could result in up to \$160M in reduced economic activity.
SCR1002	photo enforcement systems; prohibition	Prohibits the use of photo radar systems to catch speeding and other traffic control violations.	Workforce & Education	Up to \$160M	Automated traffic control systems can improve traffic safety, reduce insurance costs, and generate jobs and economic activity. The loss of Arizona's share of that industry could result in up to \$160M in reduced economic activity.
SB1167	unfair practices; goods; services; pricing	Requires any person advertising or offering a price for goods or services to include all mandatory fees or charges in the price, and to provide a clear process for refunds on the receipt. Failure to do so is an unlawful practice, subject to investigation and appropriate action by the Attorney General. Violators may be fined up to \$5,000.	Legal & Administrative	Increased regulatory costs	Increases advertising costs for businesses.
SB1170	rental payments; credit reporting.	Requires landlords to offer tenants the option to report rental payments to a credit reporting agency at the start of tenancy and annually thereafter. The offer must be in writing, outlining the reporting process, any fees (capped at \$10 per month or the actual cost), and tenant rights to opt-in or out. Limits actions related to nonpayment of reporting fees, prohibiting their treatment as rent default or deduction from security deposits. Allows tenants to stop and later resume reporting.	Legal & Administrative	Increased housing costs	Increases administrative burden by requiring landlords to offer to report rent paid by tenants to a credit reporting agency.

Bill Number	Short Title	Summary	Type of Bill	Impact	What's the Impact?
SB1172	landlord tenant; partial payment; procedures.	If a tenant tenders at least 50 percent of the rent due before or during the five-day notice period, the termination of the rental agreement is stayed for one week. If the tenant pays the remaining rent within one additional week, the rental agreement is reinstated, and associated late fees or charges are canceled. Failure to pay the remaining rent allows the landlord to terminate the agreement.	Legal & Administrative	Increased housing costs	Increases costs to landlord by regulating the termination of rental agreements in the event of late rent payments.
SB1177	rent regulation; state preemption	Repeals statute stating that counties and municipalities do not have the power to control rents.	Legal & Administrative	Up to \$288	Allowing municipalities to impose rent controls reduces rental income and decreases housing availability.
SB1178	landlord tenant; judgment; fees; satisfaction.	Makes various changes to residential landlord and tenant statutes. Revises the calculation of unpaid rent for judgments in eviction cases, limiting it to the prorated amount of rent corresponding to the tenant's actual possession of the premises rather than the full periodic rental period. Establishes a maximum late fee for tenants of \$50 or 5 percent of the unpaid rent for the period of nonpayment, whichever is greater. Prohibits requiring tenants to pay attorney fees or court costs as a condition of reinstating a rental agreement before the filing of an eviction action.	Legal & Administrative	Increased housing costs	Imposes costs on landlords by limiting late fees and changing the calculations for back rent owed during eviction cases.
SB1179	landlord tenant; applications; fees; disclosures.	Prohibits landlords from charging prospective tenants for background checks or credit reports if the tenant provides their own current credit report. Limits charges for background checks, credit reports, or other screenings to their actual cost, and prohibits landlords from charging application fees if fees are already being charged for screenings. Restricts landlords to charging no more than one rental application fee within a twelve-month period. Bans additional fees for services such as online portals or automatic payment systems. Requires landlords to disclose, at or before the commencement of tenancy and in advertisements, the exact amount of periodic rent, mandatory fees, due dates, and any additional charges not included in the rental rate.	Legal & Administrative	Increased housing costs	Increased burden on landlords by limiting the fees that can be charged for online portals and automatic payment systems
SB1184	transportation services employees; drivers; wages	An individual employed as a transportation network company driver must be paid the minimum wage or an amount based on a specified calculation, whichever is greater. A transportation delivery company driver must be paid either the transportation network company driver wage calculation or another specified calculation, whichever is greater. Transportation network companies and transportation delivery companies are required to provide drivers with a three percent cost-of-living adjustment annually, a \$600 reimbursement for health care-related costs per quarter if the driver works at least an average of 32 hours per week during that quarter, and one hour of paid sick leave for every 32 hours worked.	Labor Costs	\$170,835,251	Increases labor costs for transportation network companies.
SB1186	rental housing; income source discrimination	Landlords are prohibited from using the source of income of a prospective or current tenant to refuse rental, evict or terminate the rental agreement, discriminate in terms of price or privileges, discourage renting, misrepresent availability, coerce or interfere with rights, or induce others to violate these provisions. Landlords are required to subtract any rent voucher or subsidy from the total monthly rent when determining if income criteria have been met.	Legal & Administrative	Increased housing costs	Imposes administrative and legal costs, among others, on landlords. Potentially reduces the availability of rental housing.

Bill Number	Short Title	Summary	Type of Bill	Impact	What's the Impact?
SB1188	price regulation; abnormal market disruptions	Prohibits individuals or entities within the distribution chain of goods or services necessary for the health, safety, and welfare of consumers from selling or offering to sell such goods or services at a price 25 percent or more above the pre-existing price during an "abnormal market disruption" (defined). The Attorney General is tasked with enforcing this law. Violations are classified as misdemeanors, with intentional violations carrying a higher classification. Each violation and each day it occurs or continues is a separate offense.	Legal & Administrative	\$125,280,000	Reduces the availability of goods and leads to potential shortages during times of emergency.
SB1197	wage history; disclosure; retaliation; prohibition	Prohibits employers from refusing to interview, hire, promote, or employ an applicant for employment or retaliate against an applicant for not providing wage history.	Legal & Administrative	Increased labor costs	Impacts employers and increases the time it takes to hire employees and screen them properly.
SB1325	citizen suits; environment.	Expands the ability of private citizens to file lawsuits against individuals, state agencies, and political subdivisions for alleged violations of environmental laws. Reduces the notice period required before initiating legal action and allows courts to impose civil penalties and grant injunctive relief. Requires penalties collected from successful suits to be deposited into specific environmental funds. Grants the Director of the Arizona Department of Environmental Quality the right to intervene in citizen lawsuits as a matter of right.	Energy & Environmental	Increased legal costs	Increases legal costs by expanding legal standing to any citizen to sue any person, organization, or political subdivision for violation of environmental laws.
SB1330	working conditions; temperatures; employers; definitions.	Requires employers to develop comprehensive programs to mitigate heat-related and cold-related illnesses for employees working in indoor and outdoor environments. Requires measures such as providing free drinking water, ensuring access to cool-down and warm-up areas, implementing acclimatization schedules, and using engineering controls before relying on personal protective equipment. Employers must closely monitor worksite temperatures, provide training programs, and enforce emergency response procedures. Employers are required to maintain detailed records of temperature-related illnesses. Protects employees from retaliation for reporting unsafe conditions. Applies to all employees regardless of immigration status.	Labor Costs	\$1,208,440,860	Impacts private businesses by increasing regulations and the cost of conforming to safety standards that have minimal impact on the average worker.
SB1382	business relocation; notice; penalty	Requires employers with at least 50 employees planning to relocate outside Arizona to notify the Department of Economic Security at least 120 days in advance. Imposes a civil penalty of up to \$10,000 per day for noncompliance, with potential reductions for just cause. Establishes a public list of relocating employers, making them ineligible for state subsidies for five years and requiring repayment of received subsidies. Mandates that state contractors perform all work related to state business within Arizona. Effective November 1, 2025.	Legal & Administrative	Increased regulatory costs	Increases administrative costs for businesses seeking to relocate out of Arizona.
SB1389	public utilities; renewable energy resources	Requires electric distribution utilities in Arizona to generate at least 50 percent of their electricity from "renewable energy resources" (defined) by January 1, 2035.	Energy & Environmental	\$2,210,000,000	Increases electricity generation costs and reduces grid reliability by mandating 50% renewable electricity generation by 2035.
SB1390	utilities; contributions; nonrecoverable expenses; lobbying	Prohibits public service corporations regulated by the Arizona Corporation Commission and public power entities from using ratepayer funds for campaign contributions, lobbying, advertising, charitable donations, litigation related to regulations, investor relations, excessive executive compensation, and certain travel and entertainment expenses. Requires public disclosure of any lobbying expenditures and sources of funds used for such activities.	Legal & Administrative	Increased legal costs	Creates litigation risk for the State given Constitutional protections for free speech, regulatory risk for public service providers that could increase customers rates, and potentially reduces the information available to regulators that impact the state's utility landscape.



Bill Number	Short Title	Summary	Type of Bill	Impact	What's the Impact?
SB1402	essential drugs; price increases; limits.	A manufacturer or wholesale distributor is prohibited from engaging in "price gouging" in the sale of an "essential off-patent or generic drug" (both defined). Establishes penalties for violations. The State Medical Assistance Program is allowed to notify the Attorney General of any increase in the price of an essential off-patent or generic drug if specified conditions apply.	Legal & Administrative	Increased healthcare costs	Impacts consumers by placing a price control on essential drugs that may lead to a shortage of necessary medicine.
SB1403	prescription drugs; price limits	A person or entity that purchases a drug that is subject to a maximum fair price published by the U.S. Secretary of Health and Human Services is prohibited from paying a price higher than the maximum fair price. A person or entity that seeks reimbursement for a drug that is subject to a maximum fair price is prohibited from seeking reimbursement at a rate higher than the maximum fair price. Violations are an unlawful practice subject to enforcement by the Attorney General. A person who is aggrieved by a violation may bring a private action for consumer fraud.	Legal & Administrative	Increased healthcare costs	Limits the availability of prescription drugs in Arizona by imposing price controls.
SB1419	large electronics; recycling	Establishes a Large Electronics Recycling Program, which requires manufacturers of large electronics to register with the Arizona Department of Environmental Quality (ADEQ) and submit a plan to collect covered electronic devices and recycle them. Beginning January 1, 2026, manufacturers and retailers are prohibited from selling any covered electronic device in Arizona or for delivery in Arizona unless the brand is included in the recycling plan filed with ADEQ.	Energy & Environmental	Increased regulatory costs	Increasing agency spending to establish new recycling program
SB1422	auxiliary containers; statewide concern; repeal	Repeals the prohibition on local governments enacting or enforcing local regulations on auxiliary containers, such as plastic bags and foam containers.	Legal & Administrative	\$180,234,868	Imposes costs on consumers by potentially eliminating the use of disposable plastic bags.
SB1423	energy measuring; reporting; prohibition; repeal.	Repeals statutes that prohibited counties and municipalities from requiring businesses and multifamily housing properties to measure and report energy usage and consumption.	Legal & Administrative	Increased energy costs	Imposes costs on businesses and property owners to report energy usage and consumption, and opens the door for further regulator encroachment.
SB1465	collective bargaining; warehouse employees; quotas	Employers are required to provide employees with a written description of any quota or change in quota, and any incentive or bonus or potential adverse employment action for meeting or failure to meet a quota. Quotas must include time for rest breaks, meal breaks, and time to use the bathroom. Employees are allowed to request information regarding quotas and work speed data, and employers are required to provide such information within specified timeframes. Establishes penalties for violations.	Labor Costs	Increased legal & labor costs	Impacts employers by requiring additional administrative work in order to retain employees and continue production.
SB1466	autonomous vehicles	Redefines "autonomous vehicle" to include only those with up to Level 3 conditional automation as defined by the U.S. Department of Transportation. Prohibits autonomous vehicles from transporting passengers unless for personal or non-revenue use. Requires a human safety operator to be physically present in autonomous vehicles used for transporting goods. Repeals existing regulations related to fully autonomous vehicles.	Legal & Administrative	Up to \$4.1B	Increases transportation and other costs by effectively prohibiting the use of autonomous vehicles for passenger and goods transportation.

Bill Number	Short Title	Summary	Type of Bill	Impact	What's the Impact?
SB1468	corporate tax; business income; allocation	For tax years beginning with 2026, the formula a taxpayer must use to apportion business income to Arizona is modified to remove the option of multiplying the income by the sales factor. For tax years beginning with 2026, sales are in Arizona for income tax purposes if the taxpayer's market for the sales is in Arizona. Establishes guidelines for determining if the market for sales is in Arizona. The Arizona Department of Revenue is required to adopt rules as necessary for the situs of sales.	Tax & Public Finance	\$282,421,400	Increases taxes on corporations operating in Arizona.
SB1544	eviction limit; heat; temperature settings	Prohibits landlords from requiring or setting air-conditioning temperatures above 82 degrees when seasonal weather conditions reasonably require cooling. Prevents landlords from evicting tenants during any week in which outdoor temperatures reach 90 degrees or higher on two or more days.	Legal & Administrative	Increased housing costs	Imposes costs on landlords by prohibiting eviction of tenants for any reason during the summer.
SB1580	landlord tenant; fees; disclosure	Requires landlords to disclose the exact amount of rent and the due date for rent, and any additional costs beyond base rent, at or before the beginning of the tenancy. Limits rental application fees to the actual cost of processing applications and prohibits multiple charges for applications at the same rental company. Requires landlords to allow tenants to opt out of nonessential services, such as trash valet and smart home features, and accept multiple forms of rent payment, including cash. Prohibits landlords from charging late fees if rent is paid within five days of the due date. Designates violations as unlawful practices enforceable by the Attorney General.	Legal & Administrative	Increased housing costs	Imposes additional administrative costs on landlords, which will likely be passed through to tenants.
SB1668	health insurance; requirements; essential benefits	Requires health care insurers offering individual, short-term, or small employer group plans to cover essential health benefits, limit cost-sharing, and provide preventive services without cost-sharing. Prohibits insurers from denying coverage or setting premiums based on preexisting conditions, health status, age, or sex. Bans annual or lifetime limits on essential benefits and requires dependent coverage up to age 26.	Legal & Administrative	\$110,880,000	Increases health insurance premiums for certain health care plans in the state by mandating alignment with federal guidelines.
SB1684	public employees; collective bargaining	Establishes collective bargaining rights for public employees, allowing them to form and join labor organizations, negotiate wages, hours, and working conditions, and engage in grievance procedures. Creates the Public Employee Labor Relations Board to oversee bargaining units, certify exclusive representatives, and resolve labor disputes. Prohibits strikes and lockouts, establishes mediation and arbitration processes for impasses, and requires payroll deductions for union dues upon employee authorization. Bargaining agreements cannot conflict with state law and agreements requiring the expenditure of funds are contingent on legislative appropriation and fund availability.	Labor Costs	Increased labor costs	Increase labor costs for government entities and ultimately taxpayers in the state.
SB1720	clozapine; access; treatment protocols	Requires health insurers and the Arizona Health Care Cost Containment System (AHCCCS) to provide expanded coverage for clozapine treatment, including psychiatric examinations, weight management, specialty interventions, genetic testing, and mobile phlebotomy services. Requires county jails and state prisons, including private prison providers, to ensure access to clozapine and related treatment protocols for incarcerated individuals.	Legal & Administrative	Increased healthcare costs	Increases health insurance costs in the state by mandating coverage of certain drugs.
SB1722	civil liability; fraudulent scientific research	Allows individuals to bring civil actions against researchers, research institutions, or funding agencies for fraudulent scientific research if proven by clear and convincing evidence. Provides exemptions from liability if research institutions preregister hypotheses, report errors, share study information for replication, or post data on open-access sites. Establishes civil liability for failing to disclose funding sources, financial conflicts of interest, methodologies, or raw data. Requires recipients of government or private research grants to disclose all raw data, protocols, and methods in public databases.	Legal & Administrative	Increased legal costs	Increases legal liabilities for researchers and research organizations.

## APPENDIX 2: 'JOB KILLERS' BILL IMPACT SOURCE LIST

Mercatus Center, [Snapshots of State Regulations](#)

Arizona Department of Revenue, Fiscal Year 2022 Annual Report, [https://azdor.gov/sites/default/files/media/REPORTS\\_ANNUAL\\_2022\\_ASSETS\\_fy22\\_annual\\_report.pdf](https://azdor.gov/sites/default/files/media/REPORTS_ANNUAL_2022_ASSETS_fy22_annual_report.pdf)

Arizona Department of Revenue, The Revenue Impact of Arizona's Tax Expenditures Fiscal Year 2022, [https://azdor.gov/sites/default/files/media/REPORTS\\_EXPENDITURES\\_2022\\_fy22-preliminary-tax-expenditure-report.pdf](https://azdor.gov/sites/default/files/media/REPORTS_EXPENDITURES_2022_fy22-preliminary-tax-expenditure-report.pdf)

Arizona Department of Revenue, [https://azdor.gov/sites/default/files/2023-12/REPORTS\\_CREDITS\\_2023\\_Arizona-Credit\\_History\\_Official-Release.pdf](https://azdor.gov/sites/default/files/2023-12/REPORTS_CREDITS_2023_Arizona-Credit_History_Official-Release.pdf)

Joint Legislative Budget Committee, <https://www.azjlbcc.gov/revenues/23taxbk.pdf>

Joint Legislative Budget Committee, Fiscal Note on SB1164 2011, <https://www.azleg.gov/legtext/50leg/1r/fiscal/sb1164.doc.pdf>

Manhattan Institute, <https://manhattan.institute/article/costs-and-benefits-of-source-of-income-discrimination-laws#notes>

Journal of Public Economics, <http://piketty.pse.ens.fr/fichiers/enseig/ecoineg/articl/Susin2002.pdf>

Route Fifty, <https://www.route-fifty.com/finance/2024/05/why-income-discrimination-laws-hurt-poor-renters/396559/>

Joint Legislative Budget Committee, <https://www.azleg.gov/legtext/56leg/2R/fiscal/HB2274.DOCX.pdf>

Bureau of Labor Statistics, <https://www.bls.gov/oes/current/oes330000.htm>

American Action Forum, <https://www.americanactionforum.org/research/state-level-costs-of-the-protecting-the-right-to-organize-act/>

NERA Economic Consulting, <https://www.nera.jp/content/nera/en/publications/archive/2018/nera-economists-comment-on-the-economic-evidence-supporting-righ.html>

Society of Labor Economists, <https://www.journals.uchicago.edu/doi/10.1086/719690>

Arizona Commerce Authority, <https://www.azcommerce.com/programs/>

National Mining Association, [https://nma.org/attachments/article/2372/11.13.15%20NMA\\_EPAs%20Clean%20Power%20Plan%20%20An%20Economic%20Impact%20Analysis.pdf](https://nma.org/attachments/article/2372/11.13.15%20NMA_EPAs%20Clean%20Power%20Plan%20%20An%20Economic%20Impact%20Analysis.pdf)

Joint Legislative Budget Committee, <https://www.azleg.gov/legtext/56leg/2R/fiscal/HB2436.DOCX.pdf>

Arizona State Senate Research Staff, [https://www.azleg.gov/legtext/56leg/2R/summary/S.2471GOV\\_STRIKERMemo\\_ASPASSEDCommittee.pdf](https://www.azleg.gov/legtext/56leg/2R/summary/S.2471GOV_STRIKERMemo_ASPASSEDCommittee.pdf)

The Journalist's Resources, <https://journalistsresource.org/economics/rent-control-regulation-studies-to-know/>

Bureau of Economic Analysis, [https://apps.bea.gov/itable/index.html?appid=70&stepnum=40&Major\\_Area=3&State=0&Area=XX&TableId=600&Statistic=4&Year=2023&YearBegin=-1&Year\\_End=-1&Unit\\_Of\\_Measure=Levels&Rank=1&Drill=1&nRange=5](https://apps.bea.gov/itable/index.html?appid=70&stepnum=40&Major_Area=3&State=0&Area=XX&TableId=600&Statistic=4&Year=2023&YearBegin=-1&Year_End=-1&Unit_Of_Measure=Levels&Rank=1&Drill=1&nRange=5)

United States Census, <https://www.census.gov/retail/sales.html>

Plains Capital Bank, <https://www.plainscapital.com/blog/the-cost-of-accepting-cash/>

International Franchise Association, <https://www.franchise.org/sites/default/files/2024-02/2024%20Franchising%20Economic%20Report.pdf>

Alliance for Innovation and Infrastructure, <https://www.aii.org/a-longer-view-on-longer-trains-part-2-costs/>

Stilt, <https://www.stilt.com/careers/how-much-does-uber-pay/>

AAA, <https://gasprices.aaa.com/state-gas-price-averages/>

U.S. Department of Energy, [https://tedb.ornl.gov/wp-content/uploads/2022/03/TEDB\\_Ed\\_40.pdf](https://tedb.ornl.gov/wp-content/uploads/2022/03/TEDB_Ed_40.pdf)

Association of American Railroads, <https://www.aar.org/data-center/railroads-states/>

United States Department of Agriculture, [https://www.nass.usda.gov/Statistics\\_by\\_State/Arizona/Publications/Annual\\_Statistical\\_Bulletin/2021/AZAnnualBulletin2021.pdf](https://www.nass.usda.gov/Statistics_by_State/Arizona/Publications/Annual_Statistical_Bulletin/2021/AZAnnualBulletin2021.pdf)

Arizona Mining Association, [https://www.nass.usda.gov/Statistics\\_by\\_State/Arizona/Publications/Annual\\_Statistical\\_Bulletin/2021/AZAnnualBulletin2021.pdf](https://www.nass.usda.gov/Statistics_by_State/Arizona/Publications/Annual_Statistical_Bulletin/2021/AZAnnualBulletin2021.pdf)

U.S. Energy Information Administration, <https://www.eia.gov/state/analysis.php?sid=AZ>

Arizona State Senate Staff, [https://www.azleg.gov/legtext/56leg/2R/summary/S.1479MAPS\\_ASPASSEDCommittee.pdf](https://www.azleg.gov/legtext/56leg/2R/summary/S.1479MAPS_ASPASSEDCommittee.pdf)

Joint Legislative Budget Committee, <https://www.azleg.gov/legtext/56leg/2R/fiscal/SB1498.DOCX.pdf>

Arizona Corporation Commission, [https://azcc.gov/docs/default-source/utilities-files/electric/annual-reports/arizona-public-service-company/arizona-public-service-\(aps\).pdf?sfvrsn=80e95bd2\\_3](https://azcc.gov/docs/default-source/utilities-files/electric/annual-reports/arizona-public-service-company/arizona-public-service-(aps).pdf?sfvrsn=80e95bd2_3)

City of Scottsdale, <https://str.scottsdaleaz.gov/>

Verified Market Research, [Global Market Size by Type Reports](#)

Arizona Department of Revenue, [https://azdor.gov/sites/default/files/document/PROPERTY\\_2024\\_AbstractAssessmentRoll.pdf](https://azdor.gov/sites/default/files/document/PROPERTY_2024_AbstractAssessmentRoll.pdf)

## SOURCES

- i. "GDP by State", Bureau of Economic Analysis, March 31, 2023.
- ii. "Idaho leads in economic rebound", *Office of the Governor*, September 18, 2020.
- iii. Adams, Stuart & Jonathan Williams, "Opinion: How Utah has had the nation's best economy for 15 straight years", *Deseret News*, April 20, 2022.
- iv. Dean, Grace, "Tech jobs, sun, and no income tax", *Business Insider*, May 21, 2021.
- v. Holmes, Frank, "Business-Friendly Policies Drive Corporate Relocations to Texas", *Forbes*, July 22, 2024.
- vi. "Rich States, Poor States", *American Legislative Exchange Council*, accessed on July 23, 2024.
- vii. Moomaw, Graham, "Youngkin says Virginia won't follow California's clean car standards anymore", *Virginia Mercury*, June 5, 2024.
- viii. Adamson, Kim, "Navigating Colorado's New Artificial Intelligence Act (CAIA)", *ILG Denver*, June 2025.
- ix. Kascak, Savana, "Colorado health insurance premiums set for double-digit spike", *Complete Colorado*, August 11, 2025.
- x. Grandjean, Barabara, et. al., "Colorado's 2025 Legislative Session", *Labor and Employment Law Insights*, July 25, 2025.
- xi. "HB 24-1030 Final Fiscal Note", *Legislative Services for Colorado's Legislature*, July 2, 2024.
- xii. "How Much Freight Ships by Rail in the US?", *Union Pacific*, June 1, 2021.
- xiii. "Data Center", *Association of American Railroads*, accessed on July 23, 2024.
- xiv. Pehling, Dave, "Elon Musk says X, SpaceX headquarters will relocate to Texas from California", *MSN.com*, July 16, 2024.
- xv. Yandle, Bruce and Jonathan Nelson, "The Economic Situation, March 2018", *Mercatus Center*, March 1, 2018.
- xvi. Sias, Lang, "Assessing Colorado's Economic Competitiveness: Mounting Cost of Labor and Environmental Policy". *Common Sense Institute*, April 18, 2023.
- xvii. Nichols, John, "Michigan Just Became the First State in 6 Decades to Scrap an Infamous Anti-Union Law", *The Nation*, February 16, 2024.
- xviii. Austin, Benjamin & Matthew Lilley, "The Long-Run Effects of Right to Work Laws", *Harvard University*, November 16, 2021.
- xix. "REMI Tax-PI", *REMI*, accessed on June 6, 2023
- xx. Coles, Jason, "Arizona State Minimum Wage", *Foreign USA*, February 2, 2024.
- xxi. Neumark, David & Wascher, William, "Minimum Wages", *MIT Press*, August 13, 2010.
- xxii. Editorial Board, "California's Minimum Wage Backfire", *The Wall Street Journal*, July 19, 2024.
- xxiii. Pizer, William & Raymond Kopp, "Calculating the Costs of Environmental Regulation", *Resources for the Future*, March 2003.
- xxiv. "New Energy Laws & Regulations to Comply with HB19-1261 Climate Action Plan to Reduce Pollution Since 2019", *Common Sense Institute*, March 6, 2023.
- xxv. Bosch, Dan, "California's Zero Emissions Vehicle Rule and Its Nationwide Impacts", *American Action Forum*, October 25, 2022.
- xxvi. "Rent Control in the United States", *Wikipedia*, Accessed June 6, 2023.
- xxvii. Manuel, Obed, "Your Money Is Good Here: Colorado Retailers Must Soon Accept Your Cash As Payment, Or Face a Penalty", *CPR News*, May 12, 2021.
- xxviii. Daly, Lyle, "Average Credit Card Processing Fees and Costs", *The Ascent*, March 9, 2023.
- xxix. Davis, Jon, "Paid family leave laws: A state-by-state guide", *onpay*, June 26, 2024.
- xxx. Strunk, Lisa et. al., "Proposition 118: A Statewide Paid Family and Medical Leave Program for Colorado but At What Cost?", *Common Sense Institute Colorado*, October 21, 2020.
- xxxi. Arizona Colleges 2025 Tuition Comparison
- xxxii. University of Arizona - Tuition and Financial Aid | US News Best Colleges