COMMON SENSE INSTITUTE

ARIZONA CHAMBER FOUNDATION

SEPTEMBER 2026

THE HIGH COST OF REGULATION AND THE GOVERNMENT'S NOT-SO-INVISIBLE HAND

THE 2026 ARIZONA "JOB KILLERS" LIST

AUTHOR: ANDREW SMITH & ZACHARY MILNE

ABOUT THE AUTHORS

Andrew Smith is currently pursuing a Master's degree in Economics at California State University, Long Beach. As a principled free market thinker, he uses honest research to promote free enterprise and champion the freedoms that allow individuals to thrive. In his free time, Andrew is a talented musician, playing euphonium in his local brass band.

Zachary Milne is the Director of Policy and Research for the Common Sense Institute Arizona (CSI Arizona), where he works with the Arizona research team to craft important and thoughtful research concerning the Arizona economy. He holds a bachelor's degree in economics and statistics and a master's degree in economics, both from Arizona State University.

Zachary has also worked in the Arizona Governor's budget office 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.

Originally from upstate New York, he retired after over 20 years of combined service in the United States Air Force and the Arizona Air National Guard, including time with the 161st Air Refueling Wing in Phoenix, Arizona.

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

Teams & Fellows Statement 2

Introduction 4

Key Findings 5

The Current Policy Environment 6

Lessons from Colorado 7

The National Landscape 10

The 2026 Arizona 'Job Killers' List 12

- Tax Increases 13
- Labor Cost Increases 15
- Energy and Environmental Cost Increases 17
- Legal & Administrative Cost Increases 18

The Bottom Line 21

Appendix 1: 'Job Killers' Bill List 22

Appendix 2: 'Job Killers' Bill Impact Source List 54

INTRODUCTION

The cost of living across the country, and especially in states like Arizona, has reached historic highs after disastrous federal policies followed the COVID-19 pandemic. Over the last 18-24 months, employment growth has flatlined, and fear over the state of the U.S. economy continues to grow. These discouraging trends, among others, have fostered a national climate where politicians and citizens alike are looking to government intervention to solve our economic malaise, despite the fact that government intervention is what led us here in the first place.

The 2026 Arizona "Job Killers" report, a collaboration between CSI Arizona and the Arizona Chamber Foundation, evaluates the cost of these interventions in Arizona, and serves as a warning against increasing State control in the economy. The report examines the critical role of smart, state-level policy in sustaining Arizona's economic momentum, and contrasts Arizona's rise to prominence with the decline of states that have expanded the influence of government in their economies. Each example points to a single theme: that limited government and pro-growth policies are the key to maintaining Arizona's economic momentum, while avoiding the mistakes of interventionist states like California and Colorado.

'Job Killers'

Why They Matter

119

Tax Increases, Fees, and Mandates introduced in 2026

If Passed...

$31 billion+

Potential increased taxes, fees, and costs

$3.8 billion+

Tax increases

$26.4 Billion

Smaller Arizona economy if it had grown like Colorado since 2019

KEY FINDINGS

- **A Decade of Divergence:** Arizona's real GDP has grown 20% faster than Colorado's since 2016 even after adjusting for inflation, a sharp reversal from the prior decade when Colorado outpaced Arizona by nearly 9%. The gap shows up in migration, too. Arizona's net interstate migration is up 18.5% since 2020 relative to the 2010s, while Colorado's has collapsed by more than 90%, including outright population losses in 2022 and 2024.
- **Government Intervention vs. Private Growth:** States that draw the most business investment have, on average, fewer regulations, lower income taxes, and leaner government spending, and they've seen employment grow 5.8 times faster, real GDP grow 30% faster, and per-capita income grow 7.8% faster than the states losing the most firms.
- **A Regulatory Fork in the Road:** Colorado has enacted numerous growth-harming bills since 2019, on issues ranging from rideshare mandates to new licensing boards, while Arizona has enacted none of the bills tracked on its own "job killers" lists. The two states' diverging economic trajectories since 2016 suggest that restraint, not intervention, is what kept Arizona ahead.
- **$31.5 Billion in Economic Damage:** CSI and the Arizona Chamber Foundation tracked 119 "job killer" bills introduced this session, 88 of which carried quantifiable costs totaling at least $31.5 billion annually. Had they all passed, the state could have lost 424,400 jobs, $4,100 in per-capita income, and $48 billion in GDP, with a single bill, the repeal of right-to-work, accounting for the largest share of that damage.

THE CURRENT POLICY ENVIRONMENT

Americans are deeply divided on how to address current economic challenges. Despite inflation's return to pre-pandemic norms, the effects of COVID-era price growth continue to be felt. Prices today are still 30% higher than in 2019, and the joint pressures of international conflict, global trade restrictions, and artificial intelligence have only exacerbated economic anxieties.

These fears have led many Americans to rethink their approach to economics, paving the way for radical top-down experimentation. In the last seven years, eight states have introduced state-run paid family and medical leave programs, which CSI estimates could cost upwards of $1 billion in added taxes in Colorado alone.[i] Statewide rent control measures in Oregon and California have halted the development of new housing, leading to some of the highest homeless populations in the country.[ii] Guaranteed income programs have also been tried. Backed by pandemic-era federal funds, over 150 cities launched pilot programs that gave qualifying residents up to $1,000 per month.[iii] However, as federal support expired, cities like Austin and Boulder found the programs unsustainable and shut them down soon after.

At the heart of this interventionist approach lies a distinct economic misconception: that rising costs are a symptom of market failure. While genuine market failures are not impossible, they are generally localized and short-lived, as competition naturally encourages businesses to fill supply gaps and bring prices down. The more pressing issue is government overreach and policies that deter things like job and business formation. When the State takes control of the economy, it crowds out the private-sector investment that drives future growth. Interventionist policies, such as Arizona's Job Killers, suppress job creation by imposing heavy compliance costs that ultimately stunt long-term competitiveness and economic growth.

LESSONS FROM COLORADO

The conflicting stories of Arizona and its peer, Colorado, make this point apparent. In many ways, Colorado and Arizona are quite similar. Both states are geographically close and had comparable populations, economies, and political environments prior to 2016. Despite those similarities, Colorado's economy outperformed Arizona's at the turn of the century. For example, Colorado's population grew 6.3 percentage points *slower* than Arizona's between 2000 and 2015, but its GDP (adjusted for inflation) grew at an average rate of 2.6% per year – nearly 9% faster (0.21 percentage points) than the growth experienced in Arizona (2.4%). Partly due to lasting momentum from the American fracking revolution and a commodity price surge, Colorado enjoyed a persistent edge over its southern neighbor.

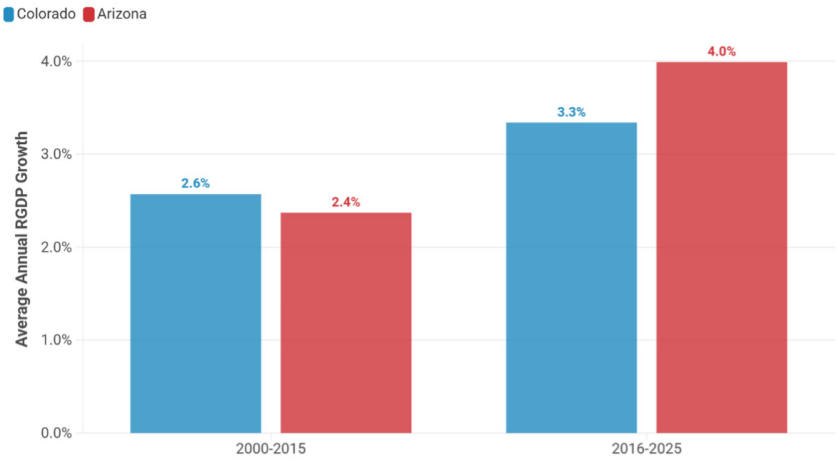
After 2016, however, that relationship reversed. Arizona continued to develop its pro-growth reputation through policies like regulatory moratoriums, reindexing state income tax rates to inflation, and the implementation of universal licensure. This direction continued after COVID and culminated in the passage of a flat 2.5% individual income tax rate ushering in one of the most competitive income tax regimes in all of the western United States. Colorado, meanwhile, took the opposite path. Policymakers focused on things like statewide bans on plastic bags, tightening regulations on oil and gas drilling, and mandated below-market health insurance pricing that drove insurers out of the state, leading to $100 million in emergency funding to help stabilize the struggling market.[iv]

Although both Arizona and Colorado continued to take advantage of the broader success experienced by western and sunbelt states over the intervening years, the relationship between the two flipped markedly around 2016. Arizona's economy grew on average 20% faster than Colorado's even after accounting for inflation, and job growth in the Grand Canyon state accelerated while that of its northern peer slowed. Moreover, much

FIGURE 1.

Real GDP Growth Rates in Arizona & Colorado Over Time

Colorado's economy grew faster than Arizona's at the turn of the century, but that relationship reversed after 2015. Arizona grew 8% slower than on average through 2015, but grew nearly 20% faster after.



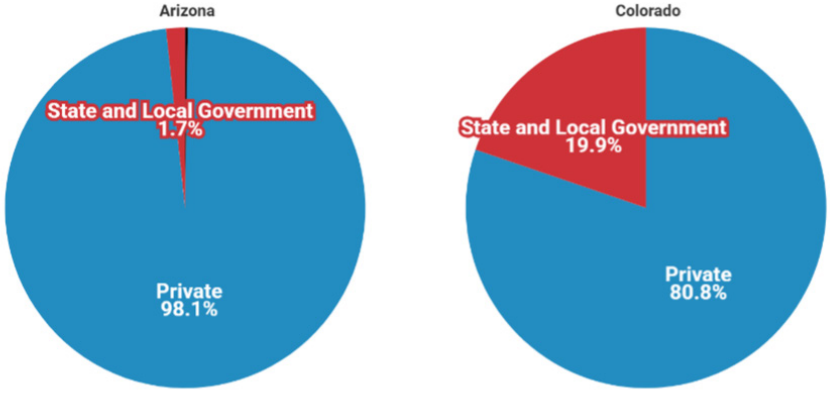
Source: U.S. Bureau of Economic Analysis

of the employment growth in Colorado came from its ever-expanding public sector, while Arizona's was driven by its flourishing private sector. State and local government employment accounted for only 1.7% of the job gains in Arizona between 2019-2025, down from 3.8% between 2016 and 2018. Colorado, however, saw nearly 1 out of every 5 jobs created in the state between 2019 and 2025 go to its state and local public sector – a stark increase from its already high share of 13.4% between 2016 and 2018.[v]

FIGURE 2.

Share of Employment Growth by Sector, 2019-2025

In addition to experiencing slower job growth than Arizona, Colorado also saw its large public sector capture an even larger share of overall employment growth. Between 2019 and 2025, nearly 1 in ever 5 jobs created in the state went to state and local government.

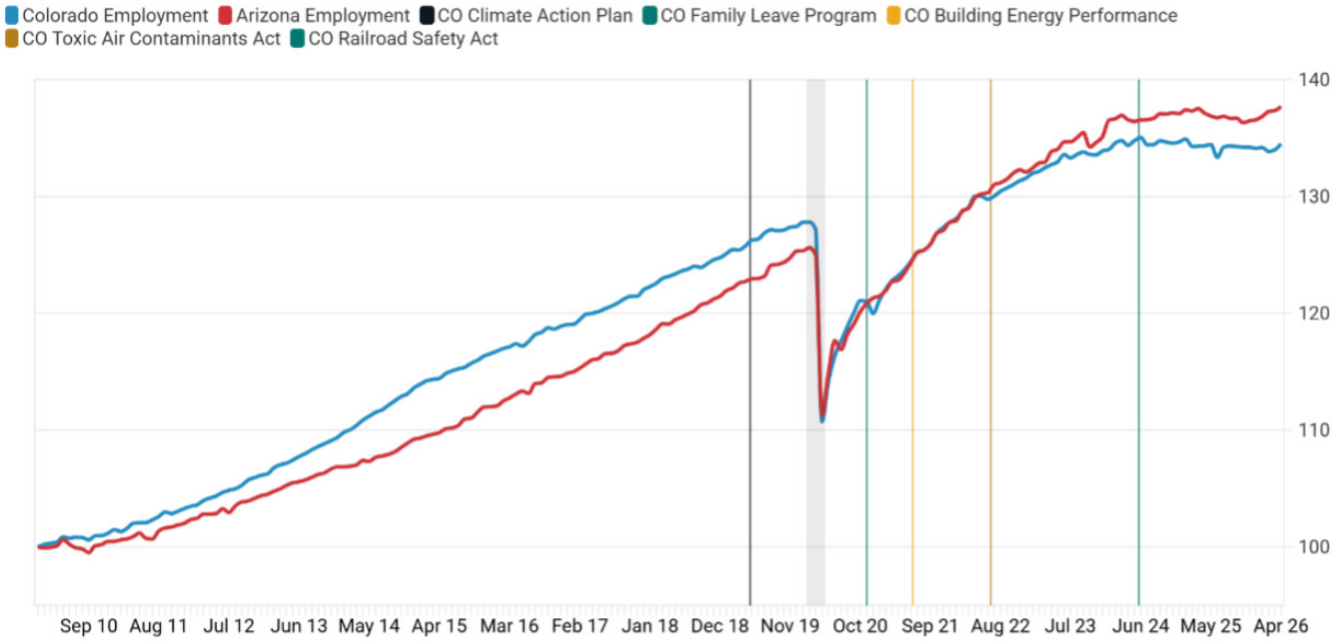


Source: U.S. Bureau of Labor Statistics

FIGURE 3.

Employment Growth in Colorado Has Slowed Dramatically Relative to Arizona

Colorado largely outperformed Arizona in the 2010s, but since 2019 average annual job growth in Colorado has slowed by more than 50%. Due entirely to its outperformance over the last 6 years, Arizona's labor market has added more jobs than Colorado's between 2019 and 2025 - a complete reversal from prior trends.



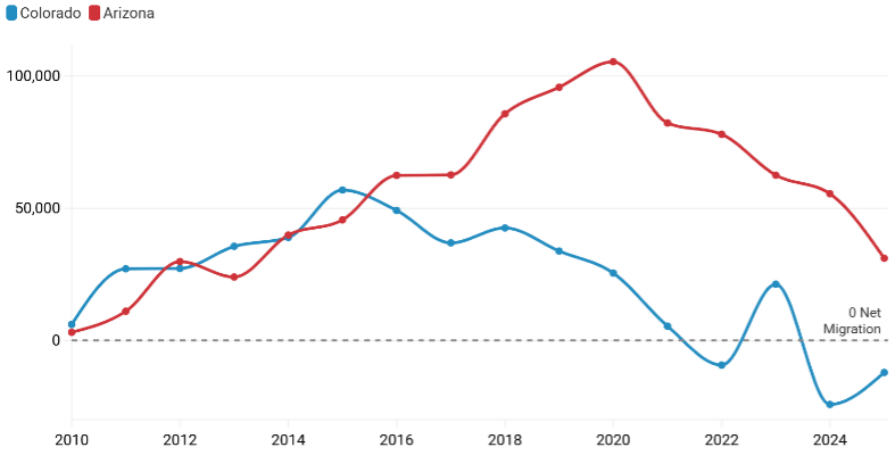
Source: CSI Colorado, U.S. Bureau of Labor Statistics • Note: CSI displays cumulative job growth in Arizona and Colorado since 2010, normalized to a starting value of 100.

Migration data draws an even deeper contrast. Since 2020, Arizona's average annual net interstate migration (adjusted for population) is up 18.5% from its average during the 2010s, while Colorado's is down more than 90%. In fact, in 2022 and 2024, Colorado experienced net domestic migration *outflows* as more Americans left the state than moved in.[vi]

FIGURE 4.

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. As of the latest data Arizona ranked 5th highest in net interstate migration, while Colorado, a net loser, ranked 44th.



Source: U.S. Census Bureau American Community Survey

As alluded to above, these outcomes are not the result of random happenstance but instead reflect a contrast in policy environments that have gained traction in each state over time. CSI estimates that over the last several years, Colorado has enacted at least 50 bills identified as detrimental to economic growth. Lawmakers imposed excessive, costly safety mandates on rideshare platforms and further restricted the use of AI systems. Hardest hit was Colorado's healthcare industry, now subject to mandatory "cultural competence and equity" trainings for maternal healthcare providers. Colorado also expanded its administrative footprint with the creation of the Colorado Behavior Analyst Licensing Board, introducing new barriers to entry through added fees and licensing requirements. This compounding regulatory weight directly mirrors the decline of Colorado's healthcare sector. After growing 40% faster than the United States as a whole from 2000 to 2015, Colorado and the United States have grown at roughly the same rate since 2021.

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

What if Arizona had grown more like Colorado since 2019?

154,405	**Fewer workers in Arizona today, or 4.7% of the state's workforce.** That works out to ***$10 billion*** in foregone annual earnings for impacted workers.
$26.4B	**Lost real Arizona GDP, or 5.8% of the state's entire economy.** Businesses respond creatively to regulatory burdens to minimize economic impacts, often by moving activity.

THE NATIONAL LANDSCAPE

The diverging paths of Arizona and Colorado underline the importance of state-level policy in sustaining economic vitality, and the speed at which economic fortunes can reverse as red tape impedes wealth production. Their story is not unique. Across all 50 states, those that encourage growth with free market policies enjoy healthier economies than states that expand the influence of government over economic affairs.

Net migration is a telling indicator. When people move, they weigh the relative benefits of housing affordability, tax liability, employment prospects, and cost of living all at once. Migration statistics, therefore, are a useful indicator of overall economic health as perceived by those with 'skin-in-the-game'.

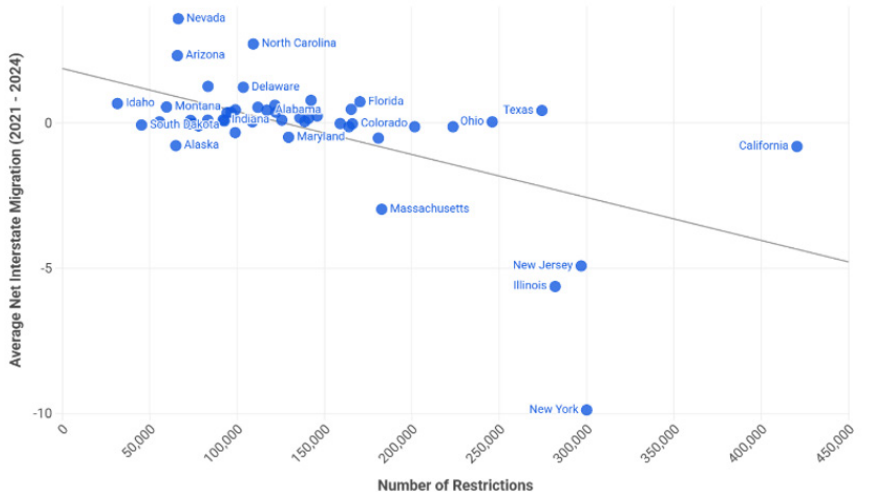
After adjusting for population differences, free market states emerge as some of the most popular destinations. Nevada, North Carolina, Arizona, South Carolina, Florida, Idaho, Tennessee, and Montana rank in the top ten in annual net interstate migration – a group defined disproportionately by low state income taxes and more growth focused regulation. The bottom five, which lost residents to domestic out-migration, are marked by relatively larger governments and heavy regulation (New York, Illinois, New Jersey, Massachusetts, and California). In fact, across all states, more regulatory restrictions are strongly associated with lower net interstate migration. Removing regulatory barriers creates opportunities that regularly attract new residents.

The movement of capital and jobs follows a similar pattern. As firms consider where to expand their operations, tax rates and regulatory oversight hold a lot of weight. Permitting delays alone, for example, can balloon construction costs for developers by 1-3% per month,[vii] and regulatory compliance costs broadly can account for over 3% of a firm's total wage bill.[viii] In turn, states drawing the most firms have, on average, fewer regulations,

FIGURE 5.

Regulatory Restrictions and Net Interstate Migration

The number of regulatory restrictions present in a state's laws is negatively correlated with interstate migration, which has been a driving force behind economic growth for many states.



lower income taxes, and spend less on government more broadly. Of the top ten states for net firm migration, four levy no state income tax at all, and all four rank in the top five.

Smart policy propels the economy forward. The top ten states for net firm migration experienced employment growth 5.8 times faster, real GDP growth 30% faster, and personal income per capita growth (excluding transfers) 7.8% faster than the bottom ten. **Furthermore, despite spending less of their output on government, poverty rates in the top ten states declined by an average of 0.6 percentage points since 2019, compared to an average *increase* of 0.33 percentage points in the bottom ten.**

FIGURE 6.

Business Migration and Government Size

State's that performed the best in attracting businesses between 2019 and 2023 also tended to have smaller governments, less regulation, and lower income taxes than the states that performed the worst.

Net Firm Migration 2019-2023	Regulatory Restrictions	Government Share of Total Employment	Government Share of GDP	Top Marginal Income Tax Rate
Top-10 State Average	138,991	14.2%	9.9%	3.8%
Bottom-10 State Average	192,126	17.5%	13.3%	8.0%

Source: Bureau of Labor Statistics, QuantGov, Bureau of Economic Analysis

FIGURE 7.

Business Migration and Economic Performance

Higher business migration and smaller government is also correlated with superior economic outcomes, such as higher income and GDP growth, significantly higher employment growth, and on average a net reduction in poverty versus a net increase.

Net Firm Migration 2019-2023	PCPI less transfers growth 2019-2025	RGDP Growth	Employment Growth 2019-2025	Change in Poverty Rate 2019-2024
Top-10 State Average	37.2%	13.1%	10.8%	-0.6%
Bottom-10 State Average	34.5%	10.1%	1.6%	0.33%

Source: Bureau of Labor Statistics, Bureau of Economic Analysis, U.S. Census Bureau

These comparisons highlight the role of market freedom in promoting economic prosperity and job creation. When economic policy maintains low barriers to entry and minimizes the role of government, businesses and individuals are free to innovate, invest, and adapt to changing market signals, ultimately fostering a more resilient economic landscape.

THE 2026 ARIZONA 'JOB KILLERS' LIST

In partnership with the Arizona Chamber Foundation, CSI Arizona identified 119 bills introduced during the 2026 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 several major new regulatory acts to be enacted every legislative session in Colorado, and indeed many other states.

An initial econometric analysis using CSI's REMI simulation software suggests **enactment of 88 of the 119 bills identified and tracked by the Arizona Chamber would have imposed at least $31 billion in new annual costs on Arizona[1].** These new costs could reduce Arizona employment by 424,400 jobs (-9%); reduce real disposable personal income per-capita by up to $4,100/year (-7%); and reduce real state Gross Domestic Product by $48 billion (-8%) once impacts are fully realized. This analysis assumes sudden and simultaneous enactment of those bills for which an explicit cost was estimated, and actual costs may be less or greater than those represented here based on implementation. However, the potentially damaging consequences of these bills are clear based both on our analysis and based on the economic trajectory of states like Colorado that have chosen to enact many of these very same bills.

The impact estimates in the sections to follow generally represent the direct, first-order costs associated with the proposal. In a few cases, CSI provides a more in-depth analysis which includes broader, dynamic impacts using more detailed techniques and forecasts developed using the REMI TaxPI+ model for Arizona.

'Job Killers' By the Numbers

119
Tax Increases, Fees, and Mandates introduced in 2026

$31 billion+
New Business Operating Costs

424,400
Jobs Lost

$48 billion
Annual Decrease in State GDP

[1] CSI's analysis was limited to 31 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.

Tax Increases

Arizona boasts one of the lowest individual income tax regimes in the nation, tied with North Dakota for the lowest rate among states that levy an individual income tax.[2] Although this low income tax regime has been enshrined in law since 2021, there has been no shortage of attempts to increase taxes on individuals and businesses and roll back the state's tax competitiveness. There were twelve bills introduced during the 2026 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 nearly $3.8 billion.**

Just two of these bills would have imposed nearly $3 billion annually in new costs for individual taxpayers in the state, while eliminating Arizona's standing as one of the most competitive states in terms of income tax structure. As highlighted above, these changes alone could have significantly impacted the state's ability to attract both businesses and productive workers, limiting its future growth potential.

Substantive tax increases introduced this year included:

Income Tax Hikes	Sales & Other Taxes
$3.2 billion	**$614 million**

3.5% TAX ON PERSONAL INCOME OVER $250,000

$1.5 BILLION

HB4095 would have imposed an additional 3.5% tax on all income earned above $250,000 ($500,000 for joint filers), affecting over 100,000 Arizona residents who contribute $60 billion annually to the state's economy. Many of these filers are small business owners operating as pass-through entities, such as S-corporations and LLCs, where new taxes hurt their ability to grow and create jobs.

8% TAX ON PERSONAL INCOME OVER $1 MILLION

$1.3 BILLION

By imposing an 8% personal income tax on filers earning over $1 million annually, HB2629 would have meaningfully eroded Arizona's tax competitiveness and placed a heavier burden on pass-through entities that file through the personal tax system, pushing the state from a tie for the nation's lowest top marginal income tax rate to roughly 10th-highest overall. This is particularly striking given that, even under Arizona's current flat tax, filers earning over $1 million already contribute more than 18% of the state's income tax revenue while accounting for just 15% of total income earned statewide.

[2] Nine states do not have an individual income tax.

ELIMINATION OF SINGLE SALES FACTOR FOR CORPORATE INCOME

$292.9 MILLION

Because corporations generally operate in multiple states, they are required to use complex formulas to determine how much they owe in taxes to each state. These formulas directly influence business and investment decisions, especially if expanding operations leads to a larger tax liability. To incentivize investment, most states with a Corporate Income Tax overweight or single-weight the sales factor. SB1575 would have rolled back Arizona's single-weight sales factor formula, reducing tax incentives to invest here.

REMOVAL OF TPT EXEMPTIONS FOR SALE OF COMPUTER DATA CENTER EQUIPMENT

$38.5 MILLION

Several bills introduced during the 2026 legislative session sought to eliminate the Computer Data Center Program (CDC Program), which exempts equipment purchases for qualified data centers from Arizona's Transaction Privilege Tax (TPT). These exemptions mirror those available to manufacturers in the state, preventing the tax pyramiding effect in which intermediate goods and equipment purchased for the production of final goods and services accumulate costs at each stage of the supply chain. Although none of these repeal bills advanced past committee, the enacted fiscal year 2027 budget still curtailed the program, imposing a three-year pause for new applications to the Arizona Commerce Authority CDC program between July 1, 2026, and June 30, 2029.

1% PAYROLL TAX ON MOST EMPLOYERS

$32.6 MILLION

Previously, Arizona had a "job training tax" — a 0.1% payroll surcharge to fund adult education programs that was repealed in 2017. HB2461 would have reinstated this concept at ten times that rate, imposing a 1% payroll tax on all companies employing at least 50 people. Payroll taxes of this size can affect labor market dynamics, potentially discouraging employers from increasing compensation or hiring. Policymakers should weigh whether this scale of increase is the most efficient way to fund adult education.

$1,000 MINIMUM CORPORATE INCOME TAX

$3.9 MILLION

Generally, taxpayers only pay a tax when they realize sales or income from a taxable activity. However, corporate income taxpayers must make a minimum $50 tax payment regardless of sales or earnings. HB2629 increases that minimum tax to $1,000, creating substantial tax liability even if the business is not generating any significant income.

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 23 bills introduced during the 2026 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 have exceeded $17.5 billion.**

Most of the bills in this category were either duplicative, or would have imposed potentially small or indeterminate new costs on employers in the state. However, eight of the bills identified by the Arizona Chamber Foundation and CSI would have carried significant costs, including the repeal of right-to-work in Arizona.

Other bills considered and rejected by the Arizona Legislature this year would mandate many aspects of the employer-employee relationship, including a drastic change to overtime hours, mandating unpaid break and lunch periods, and destructive increases to the state's already high minimum wage. If enacted, these changes would threaten Arizona's economic competitiveness and dramatically slow employment and productivity growth in Arizona.

Substantive labor cost increases introduced this year included:

REPEAL OF RIGHT-TO-WORK

$5.3 BILLION

SCR1035 and HCR2022, along with their companion bill HB2464, would have repealed Arizona's 70-year-old right-to-work law, which gives workers the freedom to choose whether or not to join labor unions. In states without these protections, labor unions can force employers to operate "closed shops" where only union members can be hired, which can significantly increase labor costs. A 2021 Harvard study notes "states with Right-To-Work (RTW) laws have experienced higher employment and population growth than states without such laws".[ix] CSI assumes — based on this and other similar research[x] — that repeal of right-to-work in Arizona would reduce annual economic growth by 21%, bringing the average annual growth in GDP over the next 5 years to 3.05% from 3.86% and costing the state between 30,000 and 40,000 jobs according to forecasts using REMI's TaxPI+ model for the state of Arizona. Although this estimation resides on the conservative end of what prior research suggests, the repeal of right-to-work would still have the single largest negative economic impact of any of the bills quantified in this report.

MANDATORY PAID LEAVE PROGRAMS

$1.8 BILLION

A now annual exercise in Arizona, state-funded and mandated leave programs have become popular in recent years. Seventeen states, including Colorado, have enacted these kinds of programs.[xi] 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.[xii]

SCHEDULING, BREAK, AND OVERTIME STANDARDS

$2.5 BILLION

HB2466 would have expanded existing federal and state rules that regulate employee scheduling and overtime pay. Among other things, it would require employers to pay overtime for any time worked over eight hours in a single work day, significantly increasing labor costs for businesses employing people that work four ten-hour shifts instead of five eight-hour shifts. The law would also mandate that employers provide unpaid meal breaks, even if employees prefer to work through their mealtimes in exchange for shorter workdays or higher compensation.

MINIMUM WAGE INCREASES

UP TO $1.9 BILLION

Arizona already has one of the highest minimum wages in the country. At $15.15/hour, it is the 10th highest statewide minimum and more than double the federal minimum.[xiii] The current minimum wage is also voter-protected and tied to the Consumer Price Index, meaning it rises automatically to keep pace with annual cost of living increases. Even with these built-in raises, three bills attempted to raise the minimum even further, at great economic risk. Academic economists generally agree that the minimum wage reduces employment and productivity growth, and harms long-run economic growth.[xiv] Though it may benefit minimum-wage earners who remain employed, it results in fewer workers overall, and fewer hours for those that remain, as well as increased costs for businesses who are forced to pay higher wages.[xv]

HEAT ILLNESS PREVENTION

$1.3 BILLION

Under Arizona's Industrial Commission and the federal Occupational Safety and Health Administration requirements, Arizona employers have a clear responsibility to protect employees from heat-related illness. In December 2025, Governor Hobbs' Workplace Heat Safety Task Force, which included representation from the Arizona Chamber of Commerce & Industry, delivered voluntary Heat Guidelines for Employers, now under review by the Industrial Commission of Arizona ahead of final consideration this spring.[xvi] These guidelines prioritize worker safety while recognizing the diversity of industries and job sites across our state. HB2684, HB2928, and SB1377 would add additional mandates, including prescriptive training, documentation, and supervisory requirements onto that existing framework, limiting employers' ability to tailor safety programs to different workplaces and potentially creating new litigation exposure without demonstrating commensurate safety benefits. 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 119 bills tracked by the Arizona Chamber, CSI identified 20 that would impose new energy and environmental regulations. **CSI estimates the total economic cost of these new environmental regulations would reach $7.1 billion.**

American businesses already shoulder a heavy regulatory load when it comes to environmental compliance. By one estimate, roughly 2% of GDP is devoted to meeting existing state and federal environmental standards. Colorado provides a stark illustration: a review of 12 statewide energy and environment policies enacted or under consideration since 2019 tallied close to $1 billion in new annual compliance costs for businesses, out of at least 55 separate energy and environmental regulations the state has put in place during that span.[xviii] Arizona's experience also demonstrates the importance of designing water policy around measurable conservation outcomes rather than simply restricting growth. Policies that constrain new housing development without addressing higher-intensity water users can worsen housing affordability while producing limited net water savings. Durable water policy should encourage conservation, infrastructure investment, augmentation, and efficient development while providing the certainty necessary for communities and employers to grow.

50% RENEWABLE ELECTRICITY GENERATION MANDATE

$3.0 BILLION

HB2551 and SB1385 would require Arizona's electric distribution utilities to generate at least 50% of their electricity from "renewable energy sources" by 2035 and 2036, respectively. 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), mandates like these could increase electricity costs for consumers and businesses by over 25%, or an estimated $3.0 billion based on 2024 EIA data. The overall economic costs would be much greater, including nearly 40,000 jobs by year four and upwards of $4.5 billion in state GDP.

100% RENEWABLE ENERGY MANDATES FOR DATA CENTERS

$3.0 BILLION

HB2467 would impose a substantial cost burden on Arizona's data center industry by simultaneously repealing the Computer Data Center Program's tax exemption and requiring facilities to shift to renewable energy with battery storage. Using Arizona Department of Revenue tax expenditure estimates combined with the added generation cost of moving the state's 41 active data centers (2,661 megawatts of capacity, operating near-continuously) off a nuclear and natural gas baseline onto wind and solar, the combined economic impact is estimated at roughly $3.0 billion, driven largely by the $143 per megawatt-hour gap between conventional and intermittency-adjusted renewable costs.[xix] [xx] [xxi] [xxii] That combined burden would likely raise operating costs for existing and prospective data center investment in Arizona, weakening the state's competitive position relative to other states without comparable mandates.

GROUNDWATER WITHDRAWAL FEES

$247 MILLION

Because HB2515 leaves the fee entirely to the State Land Department's discretion, with only a vague "fair market value" intent clause and no statutory cap, formula, or phase-in, the open-ended structure creates real exposure to punitively high costs across the 154,188 acres of state trust land currently under agricultural lease.[xxiii] Without a ceiling in statute, a fee set at the high end of comparable market-value benchmarks (potentially $75–$250 per acre-foot, well above the roughly $5 per acre-foot cap that applies to comparable withdrawal fees inside Active Management Areas) could impose costs that far exceed what agricultural operations on this land can absorb, particularly for water-intensive crops like alfalfa and pasture grasses that require several acre-feet per acre annually. Lessees would have no advance notice of the rate and no statutory recourse to challenge it as excessive, leaving the door open for a fee that functions less like a market-based cost recovery mechanism and more like a de facto penalty on continued agricultural use of state trust land.

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 66 'job killing' bills imposing new legal and administrative compliance burdens on Arizonans. **CSI estimates the total economic cost of these new general administrative regulations would reach $3.3 billion.**

In keeping with prior years and the growing policy trend across the nation, several price control and anti-price-gouging bills were introduced this session as a shortcut to affordability. HB2718 would have capped annual rent increases, a drastic reversal from the state's history of barring cities and towns from adopting rent control since 1985. Rent control's record elsewhere is a cautionary tale rather than a template: caps on rent increases have repeatedly been shown to reduce landlord investment in maintenance, accelerate the conversion of rental units to condominiums or owner-occupied housing, and shrink the very rental supply that price pressure is meant to relieve.

Other proposals extended this same logic well beyond housing: restricting who could purchase single-family homes, allowing municipalities to ban plastic bags, and imposing new restrictions on pharmacy benefit managers that would likely raise prescription drug costs, among others. Taken together, these bills reflect a common instinct, which is to treat price as the problem rather than a symptom of something else. Mandating a lower price rarely changes the underlying supply-and-demand imbalance driving it, and often makes that imbalance worse.

MANDATORY "CASH PAY"

$558 MILLION

HB2555 would have required Arizona retailers with physical locations to accept cash payments for all transactions under $100. The introduction of this bill in Arizona follows a national trend of states enacting mandatory cash payment options (including Colorado in 2021[xxiv]). 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 cash 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%[xxv], and cashless pay options (like *Square*) typically charge fees in the 3.5% range.

MANDATORY NON-FUNCTIONING GOODS REPLACEMENT

$327 MILLION

HB4076 would restrict merchants' ability to triage cheaper fixes of defective goods and instead force them into costly mandatory replacements or full refunds within the immediate post-sale window. While on the surface this looks like a consumer protection bill, it would in fact impose costly mandates on businesses and prevent them from remedying defective goods through more cost-effective repairs, with those costs ultimately being passed down to the consumer via higher prices.

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.

HB2196 and HB4124 – though well-intentioned – would increase benefit costs and 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. The primary beneficiaries would not be patients, but pharmacies.

"PRICE GOUGING" PROHIBITION

$125.3 MILLION

Government has a legitimate role in protecting consumers from fraud or deceptive conduct during emergencies. Broad price-control statutes, however, interfere with price signals and can harm the very people they set out to protect. Unfortunately, several bills introduced this session would have implemented anti-price-gouging laws, preventing the price signal from carrying out this very function. Research suggests these laws can have detrimental effects. One such study found that anti-price-gouging laws would have increased the economic damage experienced during Hurricane Katrina by upwards of 2.3%.[xxvi] Looking to Arizona, the state faced $5.4 billion in total damages in 2010 due to flooding and storms, which, using the same estimation, meant that price controls could have increased damages by $125.3 million.[xxvii]

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

THE BOTTOM LINE

Arizona's Competitive advantage is not guaranteed. It has been built through a combination of smart policy decisions including competitive taxes, regulatory restraint, reliable infrastructure, right-to-work protections, responsible resource management, and welcomed innovation and investment. Maintaining this position is more important than ever as policymakers continue to confront challenges involving affordability, workforce, energy, water, and rapid technology changes. Caution must be taken to continue to encourage investment and preserve flexibility and not overregulate, tax and implement mandates that make it more expensive to hire, build, and grow the state's economy. Arizonans must be careful not to abandon support for the pro-growth policies that built the state into a modern success story in favor of quick fixes and top-down policy interventions that distract from real solutions and jeopardize future economic growth.

APPENDIX 1: 'JOB KILLERS' BILL LIST

Bill Number	Short Title	Summary	Type of Bill	Impact	Impact Details
HB2010	digital goods; seller's requirements; enforcement	Prohibits sellers of digital goods from using terms like "buy" or "purchase" that imply ownership unless they disclose that the transaction is a license and not a transfer of ownership. Requires sellers to provide clear notice of license restrictions, revocation conditions, and any alterations from the original version of the product, along with an affirmative acknowledgment from the purchaser or a conspicuous pre-purchase statement. Requires the seller, after completing the transaction, to make reasonable efforts to notify the purchaser and offer a prorated refund for purchases of $20 or more when the license terms change in a way that permanently and materially deprives access without providing substantially similar alternative access, and sets the refund calculation at 20% of the original purchase price per year for up to five years from the purchase date, with no refund available after five years. Exempts certain categories, including subscription services, free offerings, irrevocable downloads, blockchain-based assets, and noncommercial educational resources. Designates a violation as an unlawful practice subject to investigation and enforcement by the Attorney General. CONFERENCE ENGROSSED	Legal & Administrative	Increased regulatory costs	Requires businesses selling digital goods to reconfigure their checkout systems specifically for Arizona, raising the cost of business beyond what is standard in other states.
HB2134	critical infrastructure; foreign adversaries; prohibition	Prohibits the use of software produced by a Chinese company for critical infrastructure in Arizona and prohibits governmental entities and critical infrastructure service providers (CISPs) from entering into or renewing contracts with a Chinese company that provide direct or indirect access to critical infrastructure. Requires critical communications infrastructure providers participating in a federal reimbursement program to annually certify the use and locations of prohibited equipment and requires the Arizona Corporation Commission (ACC) to publish an annual list of prohibited technologies. If funding is provided, requires governmental entities and CISPs to remove listed equipment, subject to limited preapproval exceptions. Requires governmental entities and CISPs to annually certify that no newly prohibited equipment has been attached to or connected with critical infrastructure systems. Requires the ACC to implement a risk-based oversight program with specified requirements including audits. Establishes restrictions on agreements involving critical infrastructure with the People's Republic of China. Requires the Department of Emergency and Military Affairs to establish a secure communications channel for emergency coordination. HOUSE ENGROSSED	Legal & Administrative	Increased regulatory costs	Broad and ambiguous language imposes substantial regulatory risk on Arizona companies, including the possibility of increased litigation risk and movement of investment outside the state.

HB2702	data centers; TPT distribution; solar	Repeals existing computer data center tax incentives and exemptions from transaction privilege and use taxes for computer data center equipment. Establishes the Arizona Solar for All Program in the Governor's Office of Resiliency (GOR) to provide funding, technical assistance, workforce development, and outreach to enable eligible households and disadvantaged communities to deploy or benefit from distributed solar energy systems. Creates the Arizona Solar for All Program Fund and continuously appropriates to the Fund state transaction privilege tax revenues generated from the sale, installation, assembly, repair, or maintenance of computer data center equipment from January 1, 2027 through July 1, 2036. Requires the GOR to prioritize projects that provide at least 20 percent annual electricity bill savings, serve disadvantaged communities, include workforce development commitments, and leverage private capital, and to submit annual reports to the Governor and the Legislature beginning September 1, 2027. Repeals the Arizona Solar for All Program on July 1, 2036. Applies to tax period beginning January 1, 2027. 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	Increased taxes	Disincentivizes investment in data center infrastructure by charging TPT on both intermediate equipment purchases and final services. Diverts revenues earned from this new taxation to the purchase of solar equipment, which is already TPT exempt.
HB2918	renewable energy equipment; valuation; depreciation	Changes the valuation of renewable energy and storage equipment owned by or subject to an exclusive power purchase agreement with a public service corporation or public power entity by taxing equipment placed in service from and after December 31, 2029 at 100 percent of depreciated cost, instead of 20 percent. Retains the 20 percent valuation for such equipment placed in service before January 1, 2030. Caps allowable depreciation for all renewable energy and storage equipment at 90 percent of adjusted original cost and applies the valuation methodology through December 31, 2040. HOUSE ENGROSSED	Tax & Public Finance	$575.7M	Decreases investment in the state by increasing taxation of renewable energy and storage equipment. Potentially increases energy costs by increasing taxation of these products for electrical utilities from and after January 1 2030.
SB1046	telecommunications infrastructure; equipment requirements	Requires critical telecommunications infrastructure located within or serving Arizona to be constructed without equipment manufactured by a foreign adversary and requires the removal and replacement of existing prohibited equipment. Requires telecommunications providers to certify annually to the Arizona Corporation Commission that their critical telecommunications infrastructure does not use prohibited equipment. Prohibits telecommunications providers that fail to comply from receiving state, local, or certain federal monies for the development or support of critical telecommunications infrastructure. Effective January 1, 2027.	Legal & Administrative	Increased regulatory costs	Broad and ambiguous language imposes substantial regulatory risk on Arizona companies, including the possibility of increased litigation risk and movement of investment outside the state.

HB2038	franchises; relationships; definitions	Creates a new chapter in Title 44 (Trade and Commerce) regulating franchises. Prohibits waivers of statutory rights and limits termination or nonrenewal to specified grounds with required notice and opportunities to cure. Requires franchisors to buy back certain inventory and equipment after lawful termination or nonrenewal, restricts venue clauses, and regulates transfers, sales and succession of franchise businesses, including standards for approval and rights of first refusal. Allows judicial relief and damages for unlawful termination or nonrenewal. Applies to franchises granted, renewed or terminable without cause on or after January 1, 2027, with limited exceptions. Severability clause.	Legal & Administrative	Increased regulatory costs	Makes it difficult for companies to close a franchise, forcing them to maintain unprofitable locations.
HB2077	multifamily developments; assured water supply	Prohibits municipalities and counties in the Prescott Active Management Area (AMA) from approving building permits for multifamily residential properties, including residential lease communities, unless the applicant provides either a written commitment of water service from a designated provider with an assured water supply or a certificate of assured water supply issued by the Arizona Department of Water Resources. Exempts projects that applied for or received zoning entitlements before the effective date.	Legal & Administrative	Increased housing costs	Increases housing costs by implementing a defacto ban on the construction of multifamily housing in the Prescott AMA, while still allowing for other types of development which may actually be more water intensive.
HB2121	electronic equipment; modifications	Prohibits an original equipment manufacturer from disabling electronic equipment sold or used in Arizona solely because an owner modified the equipment, including through remote updates, firmware changes, or other technical measures. Authorizes an owner to bring a civil action to recover actual damages, seek injunctive relief, and recover attorney fees, and authorizes the Attorney General to enforce the prohibition if an owner does not file a private action. Establishes civil penalties for violations, which are deposited in the Consumer Protection–Consumer Fraud Revolving Fund. Exempts motor vehicles and motor vehicle parts, medical devices, non-retail products, modifications that violate federal law, and certain manufacturer activities.	Legal & Administrative	Increased regulatory costs	Requires electronics manufacturers to reconfigure their operating systems specifically for the Arizona market, increasing costs and potentially causing them to pull out of Arizona entirely.
HB2196	pharmacists; pharmacies; reimbursement costs; appeals	Prohibits a pharmacy benefit manager from reimbursing a nonaffiliated pharmacist or nonaffiliated pharmacy less than the pharmacist's or pharmacy's actual cost for a prescription drug or device, subject to a specified exception tied to the state plan methodology. Requires a pharmacy benefit manager to pay a professional dispensing fee at a rate not less than the state plan fee-for-service rate and prohibits using that fee to satisfy the actual cost reimbursement requirement. Requires pharmacy benefit managers to establish, file, and obtain approval of reimbursement appeal procedures, authorizes agents to file appeals, and requires corrective actions and broader application of appeal outcomes when a pharmacist or pharmacy prevails. Applies to contracts entered into, amended, extended, or renewed on or after December 31, 2026.	Legal & Administrative	$290.0M	Increases the costs of prescription drugs by increasing costs to PBMs by requiring a set level of dispensing fees and requiring that pharmacies are reimbursed for the full cost of the drug. Would disincentivize pharmacies from seeking the cheapest purchase contracts for prescription drugs as they would face no losses as a result. Effectively shifts revenues from PBMs to pharmacies. The state health plan is also exempt from these rules.

HB2267	public nuisance; renewable energy; exceptions	Declares a utility-scale wind farm or solar farm constructed beginning on or after the effective date of this legislation and located within four miles of residential property is a public nuisance. Declares any utility-scale wind farm or solar farm constructed beginning on or after the effective date and located within four miles of residential property to be a public nuisance unless the project received all zoning entitlements before the effective date, obtains a certificate of environmental compatibility approved by the Corporation Commission, or is a rooftop solar system. Requires the Attorney General to bring an action to abate, enjoin, and prevent a public nuisance related to wind farms and solar farms. HOUSE ENGROSSED	Energy & Environmental	Increased energy costs	Discourages the development of wind and solar energy sources, and exposes new and potentially already existing projects to costly lawsuits if not specially exempted.
HB2293	public policy; wage contracts; repeal	Repeals statute that prohibits public entities from requiring project labor agreements in public works contracts.	Labor Costs	Increased labor costs	Drives up the cost of public works projects by allowing public agencies to set artificially high wage rates and impose union rules on public construction projects.
HB2295	minimum wage increase	Increases the minimum wage to $18 per hour beginning January 1, 2027, with annual cost-of-living adjustments to begin January 1, 2028. 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	$1.4B	Increases labor costs across the state, risking higher unemployment and prices while increasing the incentive to automate low-skilled work.
HB2296	prohibited agreements; public works contracts	Deletes the prohibition on agencies and political subdivisions requiring, as a condition of bidding, award, or performance of a public works contract, that a contractor, subcontractor, material supplier, or carrier become a party to any project labor agreements or participate in or contribute to registered apprenticeship programs.	Labor Costs	Increased labor costs	Allows state contracts to require entrance into labor agreements that increase labor costs to private businesses.
HB2299	price tags; unfair pricing; penalties	Requires a person that advertises, displays, or offers a price for goods or services in Arizona to include all mandatory fees or charges in the advertised price and to provide a clear refund process on the receipt after purchase. Prohibits increasing the price of goods or services by more than ten percent during a declared state of emergency. Prohibits businesses from using digital shelf labels. Authorizes the Attorney General to enforce violations as unlawful practices and subjects violators to a civil penalty of up to $5,000.	Legal & Administrative	Product shortages	By distorting price signals in states of emergency and banning digital shelf price labels altogether, this bill reduces market efficiency and leads to potential shortages during times of emergency.

HB2301	pricing; emergency; enforcement; attorney general.	Prohibits selling or offering for sale any commodity necessary to preserve life, health, safety, or property at a price that is ten percent or more higher than the highest price charged during the 30 days preceding a declared state of emergency. Establishes criminal penalties for knowingly and willfully charging excessively high prices during a state of emergency, which is classified as a class 5 (second lowest) felony if the total value received is at least $500 in a 24-hour period and a class 6 (lowest) felony if the total value received is $500 or less. Authorizes the Attorney General to investigate and enforce violations as unlawful practices under consumer fraud laws.	Legal & Administrative	$125.3M	By distorting price signals in a state of emergency, this bill greatly increases the risk of shortages during times of emergency.
HB2331	electric service providers; energy reliability	Requires a public power entity that serves more than one million customers and an electric public service corporation, on or after January 1, 2030, to ensure that at least 85 percent of the generating capacity relied on to serve retail load customers consists of "reliable resources" (defined). HOUSE ENGROSSED	Energy & Environmental	Increased energy costs	Imposes rigid mandates on how utility companies produce energy, imposing large capital costs onto businesses that would likely translate into energy costs for residents.
HB2334	food; mRNA prohibition; labeling	Prohibits any article of food, including livestock, poultry, produce and prepared food, that has been implanted with or received a messenger ribonucleic acid vaccine from being offered for retail sale in Arizona. Requires manufacturers, packagers or retailers to label food products with the country of origin, any countries where the product was altered and, for livestock and poultry, vaccination and medication information. Requires organic produce labels, or signage for unpackaged produce, to disclose each spray or coating applied to the produce. Effective January 1, 2027.	Legal & Administrative	$5.1M	Completely bans the sale of food that has received an mRNA vaccine and imposes strict packaging requirements not found in other states, making it difficult for food suppliers to conduct standard business in Arizona.
HB2337	zoning; use permits; votes; requirements	Requires, in a county with a population of less than 500,000 persons, a unanimous vote of all entitled members of the county planning and zoning commission, with no vacancies or absences, to approve a conditional use permit, special use permit, zoning change or variance for a proposed wind or solar project.	Energy & Environmental	$150.2M	Requires future wind and solar projects to receive a unanimous vote from the county zoning commission, stalling the development of new energy infrastructure with unecessary regulation.
HB2338	board; votes; wind; solar projects	Requires, in a county with a population of less than 500,000 persons, a vote of all entitled members of the county board of supervisors, with no vacancies or absences, to approve a conditional use permit, special use permit, zoning change or variance for a proposed wind or solar project. Each supervisory district where a portion of the proposed project is located must vote to approve the application.	Energy & Environmental	$150.2M	Requires future wind and solar projects to receive local approval under full board attendance, stalling the development of new energy infrastructure.

HB2340	certificate; environmental compatibility; factors	Authorizes the Power Plant and Transmission Line Siting Committee, when issuing a certificate of environmental compatibility, to evaluate a proposed transmission line by considering factors related to an interconnected electric generating unit.	Energy & Environmental	Increased energy costs	Allows line siting reviews to consider the environmental and financial impacts of connected power plants, threatening to delay energy projects and increase regulatory costs for developers.
HB2356	greenhouse gas programs; repeal; prohibition	Repeals state law authorizing programs to regulate greenhouse gas emissions.	Energy & Environmental	$706.0M	Loss in GDP as a result of increasing electricity prices by a cumulative 12% by 2030
HB2361	employers; contracts; noncompete clause; prohibition	Prohibits a public or private employer from requiring a current or prospective employee, as a condition of employment, to agree to a noncompete clause that restricts post-employment work in a specified geographic area for a specified period. Applies to employment contracts entered into on or after the effective date.	Legal & Administrative	Increased regulatory costs	This ban limits contract flexibility, which may increase legal risk and discourage new business investment.
HB2461	employer surcharge; workforce development	Establishes the Community College Apprenticeship and Workforce Development Program Fund and directs the Office of Economic Opportunity to administer the Fund and award monies to community colleges for apprenticeship and workforce development programs. Imposes a 1 percent employer surcharge on payroll taxes paid by businesses, corporations, and Arizona small business taxpayers that operate in Arizona and employ 50 or more employees, for taxable years beginning January 1, 2027. Requires the Arizona Department of Revenue to separately account for and deposit surcharge revenues 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	$32.6M	By imposing a new tax on businesses employing 50+ people, this bill raises personnel costs and threatens statewide job growth.
HB2462	covered contracts; governmental unit; payroll	Requires a state governmental unit to include contract provisions that require contractors and subcontractors on covered contracts to submit certified payroll records for employees performing work under the contract. Requires a state governmental unit to include worker-retention provisions when awarding a covered contract to a successor contractor to perform substantially similar services, including requiring the successor contractor to offer employment to qualified employees of the prior contractor and restricting termination or reduction of hours during a transition period except for documented cause or lack of work. Prohibits interpreting the requirements to mandate payment of a prevailing wage or a minimum wage beyond wages otherwise required by law. Exempts certain contracts, including commodity contracts, fixed-deliverable contracts without labor hour reporting, and contracts below a dollar threshold set by rule.	Labor Costs	Increased labor costs	Imposes new administrative costs on contractors and limits their freedom to hire the most effective workforce, increasing the cost of public works projects.

HB2464	repeal; right to work; liability	Repeals the statute that prohibits conditioning employment on union membership or nonmembership. Eliminates statutory protections related to free choice regarding nonmembership in a labor organization and removes those protections from the list of retaliatory discharge claims. Conditionally enacted on Arizona voters approving a constitutional amendment repealing right-to-work protections at the 2026 general election.	Labor Costs	$26.6B	According to prior economic research, states without "right to work" policies experience slower population, employment, and economic growth than states with.
HB2466	employment; labor standards; meal breaks	Requires an employer to provide a 30-minute unpaid meal break when an employee works more than 5 hours in a day and an additional 30-minute unpaid meal break when working more than 12 hours in a day. Requires an employer to provide a paid 10-minute rest break for every 4 hours worked. Requires an employer to pay overtime at one and one-half times the regular rate of pay for hours worked over 8 and up to 12 in a workday and for the first 8 hours worked on the 7th consecutive day of work in a workweek, and double the regular rate of pay for hours worked over 12 in a workday and over 8 hours on the 7th consecutive day of work in a workweek. Applies the Fair Labor Standards Act to employers with annual sales totaling $100,000 or that engage in interstate commerce.	Labor Costs	$2.5B	This bill drives up labor costs and restricts workforce flexibility by imposing mandatory daily break schedules alongside strict overtime pay requirements.
HB2467	data centers; incentives repeal; requirements	Repeals existing tax incentives and exemptions for computer data centers and removes related certification authority. Eliminates transaction privilege tax and use tax exemptions for computer data center equipment. Requires an owner or operator of a computer data center, beginning January 1, 2027, to use electricity only from renewable energy resources with battery energy storage and prohibits cooling methods that consume more than 115 gallons of water per day per 1,000 square feet. Authorizes the Arizona Corporation Commission to enforce these requirements through inspections, document requests, and rulemaking. Prohibits a computer data center from generating electricity for resale or providing electricity outside the facility. Applies to taxable periods beginning January 1, 2027. 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.	Energy & Environmental	$3.3B	Repeals tax breaks for data centers while forcing them to transition to 100% renewable energy by the end of the year, imposing massive compliance costs that discourage growth in the sector.

HB2487	corporate income tax; disclosure; database	Requires publicly traded corporations doing business in Arizona to file annual corporate disclosure statements with the Arizona Corporation Commission (ACC) detailing ownership, industry classification, employment, and specified Arizona corporate income tax data. Requires corporations that do not file an Arizona corporate income tax return to submit an alternative disclosure explaining nonfiling status and reporting Arizona gross receipts within specified ranges. Directs the ACC to maintain the disclosures as public records in a searchable online database for three calendar years. Requires chief operating officer attestation, authorizes audits by the Arizona Department of Revenue, and directs the ACC to establish penalties, publish violations, and adopt rules to administer the disclosure system.	Legal & Administrative	Increased regulatory costs	This bill invades corporate privacy and increases compliance costs, discouraging business investment.
HB2488	collective bargaining; warehouse employees; quotas	Establishes employment standards for warehouse employees by regulating the use of productivity quotas at warehouse distribution centers employing 100 or more employees at a single site or 500 or more statewide. Requires employers to provide written disclosures of quotas, related adverse employment actions, and incentive programs, and to furnish work speed data to current and former employees on request. Prohibits undisclosed quotas and quotas that prevent compliance with meal, rest, bathroom, or workplace safety requirements. Requires employers to maintain work speed and quota records and to establish joint labor-management safety committees under specified conditions. Prohibits retaliation for exercising rights under the article and authorizes enforcement, civil penalties, private rights of action, and rulemaking by the Industrial Commission and the Attorney General.	Labor Costs	Increased labor costs	Impacts employers by requiring additional administrative work in order to manage their labor force.
HB2490	rental price fixing; algorithmic pricing	Prohibits a landlord or coordinator from using an algorithmic device that relies on nonpublic competitor data to coordinate or set rental prices, renewal terms, occupancy levels, or other material terms for residential rental property. Establishes a rebuttable presumption of an unlawful contract or conspiracy to restrain trade when competing landlords use the same algorithmic device or output in the same or related market. Authorizes enforcement by the Attorney General as an unlawful practice under state consumer fraud law. Applies to landlords with five or more rental spaces and to coordinators that sell or operate algorithmic pricing tools, with specified exclusions.	Legal & Administrative	Increased legal and housing costs	May increase the costs of providing housing for rent by opening up landlords to legal action for using certain pricing mechanisms.
HB2515	state lands; leases; groundwater use	Requires the State Land Department to establish by rule and collect an annual groundwater withdrawal fee from each lessee of state agricultural land located outside of an active management area or an irrigation non-expansion area for irrigation use of groundwater. Requires each affected lessee, by March 31 of each year, to report the location of each well, the quantity of groundwater withdrawn during the prior calendar year, and the uses of that groundwater. Directs deposit of the collected fees into the fund of the appropriate state land trust beneficiary.	Energy & Environmental	$247.2M	Increases agricultural production costs by imposing new fees on groundwater use.

HB2539	wildfire mitigation planning; utilities; repeal	Repeals statutory requirements governing wildfire mitigation planning for electric utilities and related state oversight by repealing the wildfire mitigation planning chapters in Titles 30 and 40 and repealing the statute addressing wildfire prevention and mitigation on state trust lands.	Energy & Environmental	Increased legal costs	Repeals wildfire mitigation planning protections for electrical utilities, exposing them to full legal liability in wildfire negligence lawsuits.
HB2540	power; public utilities; securities; repeal	Repeals statutes governing public utility power plant and transmission line financing and securities by eliminating Title 30, chapter 8 (Power, Utility Securitization) and Title 40, chapter 3 (Public Utilities and Carriers, Utility Securitization).	Energy & Environmental	Increased energy costs	By repealing special utility financing laws, this bill increases borrowing costs for utility companies, discouraging new capital investment while putting upward pressure on energy prices.
HB2544	utilities; restrictions; prohibitions; preemption; repeal	Repeals statutes that prohibit municipalities and counties from restricting a person's or entity's ability to use a capable and authorized utility provider.	Legal & Administrative	Increased regulatory costs	Potentially increases costs to property owners by allowing municipalities to regulate the provision of public utilities, such as water and electricity.
HB2545	multifamily property; water; certificate	Requires a person seeking a building permit or building plan for six or more detached single-family residences, a multifamily residential property, or a condominium to obtain a certificate of assured water supply or a written commitment of water service, with limited exceptions for applications submitted on or before September 30, 2024. Authorizes approval of subdivision plats, public reports, and qualifying building permits only if assured water supply or a designated provider commitment exists and applicable replenishment and activation fees are paid. Creates and defines residential lease communities and applies groundwater replenishment district activation fees, replenishment reserve fees, and annual membership dues to residences within residential lease communities and condominium units beginning January 1, 2027.	Legal & Administrative	Increased housing costs	By forcing developers to prove a 100-year water supply and pay additional fees to obtain building permits, this bill increases construction costs and discourages new housing development.
HB2548	water-efficient plumbing fixtures	Prohibits a person, beginning January 1, 2028, from distributing, selling, offering for sale, importing, or installing plumbing fixtures in new or existing residential, commercial, industrial, or public construction unless the fixture is WaterSense-labeled, meets or exceeds WaterSense efficiency criteria established before that date, or lacks established WaterSense criteria. Allows the Arizona Department of Water Resources to waive these requirements for historic fixtures by rule. Defines WaterSense-labeled plumbing fixtures and the WaterSense program in statute and updates related definitions for residential, commercial, industrial, and public construction. Effective January 1, 2027, for definitions, and effective January 1, 2028, for all other provisions.	Legal & Administrative	Increased housing costs	Increases housing costs by mandating that Watersense-labeled fixtures be installed in all new housing units, restricting developers' ability to meet consumer price and quality preferences.

HB2551	office of resiliency; climate change	Requires electric distribution utilities to generate at least 50 percent of their electricity from "renewable energy resources" (defined) by January 1, 2035. Establishes the Office of Resiliency in the Office of the Governor, authorizes the Governor to appoint a Director, and directs the Office to address climate change impacts, advise the Governor on related policy areas, develop a resiliency plan, and direct state agencies to assess climate-related risks. Repeals statute prohibiting state agencies from regulating the emission of greenhouse gas without express legislative authorization.	Energy & Environmental	$3.0B	Forces utility companies to increase their reliance on renewable energy and establishes a new government office to address climate change concerns, imposing large capital costs on utilities at the risk of long-term grid reliability.
HB2552	energy measuring; reporting prohibition; repeal	Repeals statutes that prohibit municipalities and counties from requiring energy usage measurement or reporting by property owners or utilities.	Energy & Environmental	Increased regulatory costs	Imposes an administrative burden on businesses and multifamily property owners to measure and report their private use of utilities, information that could potentially be used to justify energy use restrictions or rate hikes.
HB2555	businesses; requirement to accept cash	Requires retail businesses with a physical location in Arizona to accept cash for goods and services totaling $100 or less and prohibits charging a fee or penalty for cash payments. Creates a private right of action for violations and authorizes damages and attorney fees, with annual inflation adjustments. Exempts written contracts specifying payment methods and online sales.	Legal & Administrative	$558.3M	Imposes additional costs on businesses who otherwise would require debit or credit for transactions below $100.
HB2562	restaurants; water; hotels; laundry	Requires restaurants and other food service establishments in Arizona to serve water to customers only on request. Requires hotels and motels to offer guests the option to decline daily laundering of towels and linens and to prominently display notice of that option.	Legal & Administrative	Increased regulatory costs	Imposes unnecessary regulation on restaurants and hotels, creating an inconvenient, less hospitable experience for paying customers.
HB2563	auxiliary containers; regulation; prohibition; repeal	Repeals statutes that prohibit municipalities and counties from regulating auxiliary containers.	Legal & Administrative	$177.1M	By allowing localities to individually regulate the use of plastic bags and other containers, Arizona consumers could face upwards of $170M in additional costs each year based on an analysis of California's plastic bag ban.

HB2566	vacation rentals; short-term rentals; regulation	Expands the authority of municipalities and counties to regulate vacation rentals and short-term rentals by allowing increased permit fees up to $500, and allowing municipalities and counties to deny a permit application if a previous owner had a suspended permit or has outstanding civil penalties for the property. Allows municipalities and counties to suspend a license for an owner knowingly allowing the use of a vacation rental or short-term rental for nonresidential purposes, or for knowingly avoiding paying transaction privilege tax for booking made without the use of an online lodging marketplace. Authorizes transfer of penalties or suspensions with the property for verified violations. Revises definitions to limit qualifying vacation rentals and short-term rentals based on the number of rental days per year and owner occupancy.	Legal & Administrative	Increased legal costs	In addition to raising licensing fees, this bill allows local governments to tie permit suspensions directly to the physical property rather than the owner, holding future buyers responsible for penalties accrued by a previous owner.
HB2567	online lodging marketplaces	Prohibits an online lodging marketplace from listing rentals or transacting business for properties or operators in Arizona that are not in compliance with applicable state, county, and local laws. Authorizes municipalities and counties to enforce compliance and imposes a civil penalty of $250 per day for each violation.	Legal & Administrative	Increased rental costs	Online lodging platforms like Airbnb and Vrbo would be legally liable for every host's violations. A single noncompliant listing would expose them to civil penalties.
HB2581	health insurance claims; consumer assistance	Establishes a Health Care Claims Consumer Assistance Program in the Department of Insurance and Financial Institutions (DIFI) to assist consumers with health insurance complaints, appeals, disputes, and education. Authorizes DIFI to impose civil penalties of at least $25,000 per violation for continuous wrongful claim denials or insufficient payments after notice and an opportunity to cure and makes insurers automatically liable for double damages, including attorney fees, when a claim is wrongfully denied or underpaid. Requires insurers to disclose data on denied and wrongfully denied claims and directs DIFI to collect data, adjust penalties annually, investigate insurers with above-median wrongful denial rates, and publish annual public reports. Appropriates $250,000 from the state general fund in FY2026-27 to DIFI for the Program.	Legal & Administrative	$37.0M	Exposes health insurers to broad liability for denied claims, automatically owing double damages plus attorney fees for any claim deemed wrongfully-denied, including a $25,000 minimum penalty for continuous violations.
HB2585	AHCCCS; reimbursement; noncontracting providers	Requires an AHCCCS contractor to reimburse a noncontracting provider for laboratory services when a member is referred by a contracted provider. Prohibits contractors from requiring prior authorization for diagnostic services and from taking or threatening retaliatory action against a contracted provider for referring a member to a noncontracting provider.	Legal & Administrative	Increased healthcare costs	Raises costs for health insurers by forcing them to pay out-of-network lab bills and stripping away their ability to control expenses through pre-approvals or referral limits.

HB2587	adult content websites; blocking option	Requires each internet service provider that offers internet connectivity in Arizona to make available, at no additional cost, a voluntary, user-initiated option for subscribers to block access to adult content websites. Requires providers to give notice to subscribers about the blocking option at service activation and through annual notifications. Specifies minimum accessibility, privacy, and functionality standards for the option. Authorizes the Attorney General to enforce compliance after notice and an opportunity to cure and subjects willful violations to civil penalties.	Legal & Administrative	Increased regulatory costs	Adds overhead costs for internet providers, forcing them to provide free adult content blockers and adhere to strict data privacy standards.
HB2604	civil court supremacy; due process	Establishes the supremacy of Arizona civil courts over private tribunals by voiding agreements that waive or limit access to civil courts and requiring courts to review private adjudications for voluntariness, due process, and compliance with law. Prohibits the court from enforcing private tribunal decisions that discriminate, restrict testimonial equality, coerce participation, conceal abuse, or diminish protections for women, children, or vulnerable persons, and requires courts to apply neutral principles of law. Requires transparency, recordkeeping, and judicial oversight for any private adjudication seeking judicial enforcement and prohibits retaliation for seeking civil or criminal protection. Preserves voluntary arbitration, religious freedom, and ecclesiastical abstention while preventing private bodies from exercising binding adjudicatory authority. Severability clause.	Legal & Administrative	Increased legal costs	Forces firms to adjudicate conflicts in the public justice system by overriding arbitration decisions, restricting the freedom of both parties to choose how conflicts are resolved.
HB2627	workers' rights; public health emergency	Establishes worker protections during a public health emergency by prohibiting employers and other covered principals from retaliating against workers who raise good-faith health or safety concerns, disclose workplace hazards, wear recommended personal protective equipment, or participate in related investigations. Voids contracts or policies that restrict workers from disclosing public health and safety information and requires employers to post notice of worker rights. Authorizes administrative enforcement and civil actions that allow reinstatement, back pay or front pay, civil penalties, and recovery of compensatory and punitive damages and attorney fees, and creates a whistleblower enforcement mechanism with shared penalties. Establishes the Employment Support Fund and appropriates an unspecified amount (blank in original) from the state general fund in FY2026-27 to the Fund to administer these provisions. Emergency clause.	Legal & Administrative	Increased legal costs	Creates a financial incentive for workers to file lawsuits over health and safety concerns during public health emergencies by offering a 25% share of court judgments.

HB2629	corporate income tax; minimum	Increases the minimum corporate income tax to $1,000 for corporations with 50 or more employees that are not otherwise exempt, instead of $50. Applies to taxable years beginning with 2027. 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	$3.9M	By raising the minimum corporate income tax 20-fold, from $50 to $1,000, this bill imposes a significant new tax burden on corporations with 50 or more employees.
HB2631	data centers; tax relief; repeal	Repeals the computer data center tax relief program. Deletes transaction privilege tax and use tax exemptions for computer data center equipment and colocation facilities. Applies to tax periods beginning from and after the first month following the general effective date. 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	$38.5M	Raises costs for Arizona data centers by removing their tax exemptions.
HB2636	individual income tax; rate; increase	Modifies the individual income tax by imposing a graduated rate structure beginning with tax year 2027. Taxes income up to $1 million at 2.5% and income above $1 million at 8%. Repeals the existing flat individual income tax rate provisions that apply after December 31, 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	$1.3B	Establishes a new 8% tax on taxable income exceeding $1 million, encouraging capital flight and discouraging new business investment.
HB2684	working conditions; temperatures; employers; definitions	Requires employers to adopt and implement comprehensive written programs to prevent heat-related and cold-related illnesses when workplace temperatures exceed or fall below specified thresholds. Mandates employer-provided drinking water, rest and recovery breaks, shade or warm-up areas, acclimatization periods, temperature monitoring, emergency response procedures, and paid recovery time during temperature-related illnesses. Requires annual training, recordkeeping, and anti-retaliation protections and applies the requirements to all employees regardless of immigration status.	Labor Costs	$1.3B	Imposes costly new workforce requirements, including mandatory training and paid rest periods.

HB2705	single-family residence purchases; limitations	Requires corporations, limited liability companies, and their affiliates to register with the Arizona Corporation Commission (ACC) before purchasing single-family residences and conditions deed recording on proof of registration and disclosure that the home is not a primary residence. Exempts entities owning fewer than ten units and specified governmental, nonprofit, land trust, group home, and employer-provided housing uses. Limits corporate and affiliate acquisitions to no more than five percent of single-family residences within a census tract, no more than 50 purchases per calendar year statewide, and a maximum ownership cap of 2,000 single-family residences in Arizona. Establishes civil penalties of up to $20,000 per violation, with penalties deposited in the Housing Trust Fund and enforcement by the Attorney General. Requires the ACC to annually report on corporate purchases and sales of single-family residences to the Governor and the Legislature.	Legal & Administrative	$189.3M	Reduces the supply of rental housing by limiting the number of rental housing units that can be purchased by corporations, and increases administrative costs for corporations that purchase SFH for rent. Increases costs for renters by over $189M.
HB2706	single-family residences; corporate buyer restrictions	Requires corporations, limited liability companies, and their affiliates to register with the Arizona Corporation Commission (ACC) before purchasing single-family residences, condominiums, or townhomes. Exempts entities owning fewer than ten units and specified governmental, nonprofit, land trust, group home, and employer-provided housing uses. Establishes civil penalties of up to $20,000 per violation, with penalties deposited in the Housing Trust Fund and enforcement by the Attorney General. Prohibits a corporation from purchasing a single-family residence, condominium, or townhome unless the property has been on the market for more than 90 days or the asking price has changed. Requires the ACC to annually report on corporate purchases and sales of single-family residences, condominiums, and townhomes to the Governor and the Legislature.	Legal & Administrative	$189.3M	Reduces the supply of rental housing by limiting the number of rental housing units that can be purchased by corporations, and increases administrative costs for corporations that purchase SFH for rent. Increases costs for renters by over $189M.
HB2715	local planning; residential housing; repeal	Repeals statutes that require municipalities and counties to comply with state housing impact and residential planning restrictions when adopting land use regulations.	Legal & Administrative	Increased housing costs	Allows local governments to impose rent control and development restrictions, driving up home prices by discouraging new housing construction.

HB2716	vacant; abandoned property; inspection; maintenance	Authorizes a city or town to adopt and enforce ordinances that require registration, inspection, and maintenance of residential and commercial buildings that are vacant or abandoned for more than 150 days. Requires such ordinances to impose owner obligations related to property security, structural safety, sanitation, insurance coverage, inspections, and payment of registration and inspection fees, and authorizes the city or town to use collected fees for public safety, administration, or repair, closure, or demolition of the property. Allows a city or town to place liens on real property to collect delinquent fees and costs and prohibits owners from avoiding compliance by transferring property to affiliated entities.	Legal & Administrative	$1.2M	Allows local governments to impose registration, inspection, and maintenance mandates on properties left vacant for only 150 days, increasing holding costs for property owners and creating new administrative hurdles for out-of-state investors.
HB2718	landlord tenant; rental amounts	Limits annual residential rent increases to the annual change in the consumer price index plus three percent, not to exceed a seven percent total increase, and prohibits landlords from charging amounts above that limit. Requires the Arizona Department of Housing to calculate permissible rent increases on request, accept and investigate tenant complaints, and refer violations to the Attorney General for enforcement. Exempts newly built dwelling units from the rent increase limit for the first 36 months after issuance of an initial certificate of occupancy. Repeals these requirements January 1, 2033.	Legal & Administrative	$1.5B	Limiting rent increases discourages investment in rental housing and may incentivize landlords to set higher initial rents for new tenants, increasing costs and reducing the supply of housing over time.
HB2734	employer requirement; dependent care benefits	Requires employers in Arizona to offer employees a dependent care assistance program as described in specified federal law. Effective January 1, 2028.	Labor Costs	Increased labor costs	Forces employers to offer employees a Dependent Care Assistance Program to all employees regardless of employee eligibility and participation. Imposes unecessary administrative costs, particularly on small employers and those who employ few or no eligible employees.
HB2738	cost responsibility agreements; data centers	Requires owners or operators of certified computer data centers to submit a cost responsibility agreement showing they will pay all costs for dedicated electric utility upgrades as a condition of receiving tax relief. Requires owners and operators to annually report to the Arizona Commerce Authority on employment, energy and water use, capital investment, and compliance with the cost responsibility agreement. Authorizes the Department of Revenue to recapture all tax relief if an owner or operator fails to comply with the cost responsibility agreement.	Legal & Administrative	Increased regulatory costs	Forces data centers to pay for electrical utility grid upgrades, increasing costs and discouraging new investment.

HB2849	minimum wage; definitions; increase	Increases the state minimum wage to $18 per hour beginning January 1, 2027. Requires additional minimum wage increases on January 1, 2028 and January 1, 2029 of $1 per hour after the annual cost-of-living adjustment, and continues annual cost-of-living adjustments thereafter. Eliminates the tipped wage differential beginning January 1, 2030 by requiring employers to pay tipped employees the full minimum wage regardless of tips received. Includes a severability clause. Because this statute is voter protected, the bill requires approval by three-fourths of the members of each house of the Legislature.	Labor Costs	$1.9B	Increases labor costs to business owners and prices for consumers.
HB2912	utility; resource plan; commission review	Requires the Arizona Corporation Commission (ACC) to require an electric public service corporation to prepare and submit an integrated resource plan for review and approval at least once every three years. Specifies detailed planning, cost, reliability and modeling requirements for the plan and requires ACC to obtain and review an independent third-party evaluation before approving or denying a plan. Requires ACC approval of requests for proposals for electric generation, mandates that solicitations be competitive and technology agnostic without discrimination based on carbon emissions and requires the appointment of an independent monitor and reporting of results. HOUSE ENGROSSED	Energy & Environmental	Increased energy costs	Increases state oversight of electric utilities, increasing compliance costs and delaying grid upgrades.
HB2915	tax re+C103+D68	Requires a county board of supervisors to establish a residential property tax reduction fund for each qualifying large wind or solar energy facility that reduces nearby residential property values and directs the county treasurer to administer and distribute the fund. Requires the county treasurer to deposit and distribute monies to eligible residential properties within the affected zoning area to reduce property taxes based on the documented reduction in assessed value, using a distribution method approved by the board of supervisors. Limits administrative costs, restricts transfers or commingling of fund monies and caps distributions at the amount of property tax due or outstanding.	Energy & Environmental	Increased regulatory costs	Discourages local governments from approving new energy projects by redirecting property tax revenue to neighborhoods near renewable facilities.
HB2927	elevator requirements; construction project; employees	Requires construction projects designed to reach at least 60 feet above ground level or at least 48 feet below ground level to provide a personnel hoist, temporary elevator or elevator for employee use, and requires the elevator to be installed and operational once the structure reaches 36 feet in height.	Legal & Administrative	$27.7M	Increases construction costs for certain buildings by requiring elevators for construction workers.

HB2928	working conditions; heat illness; prevention	Requires the Industrial Commission of Arizona to adopt comprehensive heat and cold illness prevention standards for indoor and outdoor workplaces, including requirements for water, shade or climate-controlled areas, paid rest periods, acclimatization, training, emergency response, and temperature monitoring. Requires employers to implement written heat and cold stress programs and provide personal protective equipment at no cost. Authorizes employees to bring a private right of action to enjoin violations or recover damages. Requires the Commission to manage an anonymous reporting hotline for potential violations. Allows cities, towns and counties to adopt additional protective standards.	Labor Costs	$1.3B	Impacts private businesses by increasing regulations and the cost of conforming to safety standards that have minimal impact on the average worker.
HB2936	public policy; wage contracts; repeal.	Repeals statute that prohibits public entities from requiring project labor agreements in public works contracts.	Labor Costs	Increased labor costs	Allows state contracts to require entrance into programs that increase labor costs to private businesses.
HB2937	nuclear power plant; employees; requirements	Requires a nuclear power plant owner or operator to require contractors and subcontractors to use a skilled and trained workforce that includes registered apprentices and specified minimum percentages of skilled journeymen by January 1, 2027, January 1, 2028, and January 1, 2029. Requires contractors and subcontractors to pay skilled journeymen the prevailing wage and authorizes the Industrial Commission of Arizona to adopt rules to verify qualifications and establish reporting procedures. Allows non-skilled journeymen to assist only during an emergent situation until it is resolved. Emergency clause.	Labor Costs	Increased labor costs	Increases labor costs for nuclear power companies by imposing strict workforce quotas that restrict who can perform certain types of work.
HB2962	rental housing; discrimination; income source	Prohibits a landlord from refusing to rent, evicting, terminating a rental agreement, or otherwise discriminating against an otherwise eligible prospective or current tenant based on the tenant's source of income. Prohibits rental advertisements or statements that indicate a preference or limitation based on lawful sources of income, including government or private assistance. Requires a landlord that uses income thresholds to subtract rental assistance or subsidies from the monthly rent before determining whether the tenant meets income requirements. Makes a violation an unlawful practice enforceable by the Attorney General.	Legal & Administrative	Increased housing costs	Prohibits landlords from denying tenants based on their source of income, limiting their ability to effectively manage financial risk. This increases rental rates for all tenants, who must offset the costs of more frequent delayed or missed payments.

HB2974	biologic weapons prohibition; crime	Prohibits a person from intentionally or knowingly manufacturing, acquiring, possessing, or making available modified messenger ribonucleic acid injections or products and designates those products as biological agents, toxins, vectors, and weapons of mass destruction under Arizona law. Expands terrorism, racketeering, and public order statutes to include modified messenger ribonucleic acid injections or products within existing definitions of biological agents, toxins, vectors, and weapons of mass destruction. Requires the Governor, the Attorney General, county attorneys, and law enforcement agencies to enforce the prohibition and subjects state or local officials who knowingly fail to enforce it to nonfeasance in public office. Authorizes Arizona residents to seek injunctive, declaratory, and monetary relief for lack of enforcement. Classifies violations as a class 2 (second highest) felony with enhanced penalties, including life imprisonment if a death results. Emergency clause.	Legal & Administrative	Increased medical costs	Prohibits the manufacture, possession, and distribution of mRNA products in Arizona, making violations a form of state terrorism. This policy completely eliminates the use and availability of mRNA-based biotechnology within the state. mRNA was initially introduced in the Pfizer COVID-19 vaccine, but now can be used in all types of vaccines and treatments. Banning this might mean having to rely on more costly alternative actions or less effective medication.
HB4014	state land; foreign entities; prohibition	Prohibits the State Land Department from conveying state land located within ten miles of critical infrastructure to a foreign-controlled entity unless the Attorney General, in consultation with applicable federal authorities, determines the conveyance poses no national security risk. Requires disclosure of foreign affiliation or an affidavit of no foreign affiliation for offers involving state land near critical infrastructure and requires the State Land Commissioner to refer potentially foreign-controlled transactions to the Attorney General for review. Authorizes criminal and civil penalties, including mandatory divestment and a civil penalty of $250,000 per acre, for violations and false disclosures, while allowing judicial review of foreign-affiliation determinations. Requires annual registration for certain foreign-affiliated owners of state or former state land near critical infrastructure and provides limited exceptions for de minimis interests, federally preapproved transactions, and major non-NATO allies.	Legal & Administrative	Decreased foreign investment	Limits the sale of state lands to foreign-controlled entities, discouraging foreign investment and potentially forcing foreign landowners to divest if their land is located too close to public infrastructure.

HB4022	public works employment; wages; regulation	Requires the Industrial Commission of Arizona to annually publish standard wage rates for public works projects based on the federal Davis-Bacon Act and to monitor employer compliance. Requires employers bidding on or performing public works projects to use the published wage rates, submit monthly certified payroll records, and comply with Commission audits and investigations. Deletes the prohibition on agencies and political subdivisions requiring a contractor, subcontractor, material supplier, or carrier on a public works contract to negotiate, execute, or become a party to a project labor agreement or other agreement with employees, employee representatives, or a labor organization.	Labor Costs	Increased labor costs	Increases labor costs for public works projects by setting above-market wage rates.
HB4076	merchants; delivery of goods; warranty	Requires a merchant that sells goods in Arizona to replace a nonfunctioning good or provide a full refund if the purchaser gives notice within 72 hours after delivery. Prohibits merchants from requiring repairs before replacement or refund during the 72-hour period and from waiving or limiting these rights through "as-is," "final sale," or "no return" terms.	Legal & Administrative	$326.6M	Increases the cost of product defects to retailers and the risk of return abuse by eliminating standard seller protections.
HB4082	social media platforms; user restrictions	Requires social media platforms to restrict users under 16 years of age from accessing social media content and engaging in online social interaction and to take reasonable steps to prevent account creation by those users. Requires platform owners or providers to implement age-appropriate design features, default safety settings, internal escalation systems, risk mitigation safeguards, written safety policies, and annual risk assessments, and to maintain compliance records for at least three years. Authorizes the Attorney General to investigate and enforce these requirements.	Legal & Administrative	Increased regulatory costs	Pulls social media decisions away from parents while imposing heavy software development and compliance costs onto social media companies doing business in the state, risking access
HB4089	worker retention; requirements; state contracts	Requires contractors that enter into state service contracts to offer written employment to employees of predecessor contractors for a 90-day transition employment period and to retain those employees absent individual cause for termination. Requires contractors to make offers by certified mail, retain employees by seniority if workforce reductions occur, maintain preferential hiring lists during the transition period, and provide specified employee information to the state and successor contractors. Prohibits retaliation against employees who report violations and requires inclusion of these requirements in all related subcontracts.	Labor Costs	Increased labor costs	Limits a contractor's freedom to hire the most effective workforce, increasing costs for state projects.

HB4095	income tax; additional rate; education	Imposes an additional individual income tax rate of 3.5 percent on federal adjusted gross income exceeding $250,000 for single filers and married persons filing separately and $500,000 for married couples filing jointly or heads of household, beginning with tax year 2027. Deposits 50 percent of the additional revenues in the Classroom Site Fund and 50 percent in the Emergency Deficiencies Correction Fund and specifies that these monies supplement, not supplant, existing funding. 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	$1.5B	Levies an additional 3.5% marginal income tax on individuals making over $250,000 a year, punishing wealth creation in the state.
HB4098	artificial intelligence business; attorney general	Requires an "artificial intelligence business" (defined) to conduct comprehensive risk assessments of high risk AI systems, evaluate specified discrimination, safety, privacy, and catastrophic risks, and implement bias mitigation measures before using or selling those systems. Requires the business to submit a transparency report to the Attorney General, publicly post the report, conduct quarterly audits, and include parental monitoring and content protections when a system may be accessed by a child. Authorizes the Attorney General to certify AI businesses before they enter the stream of commerce, enforce compliance, and impose civil penalties of up to $50,000 per violation, with reduced penalties for inadvertent violations when specified federal child privacy standards are followed.	Legal & Administrative	Increased regulatory costs	Discourages investment in AI by imposing regular audits and reporting mandates and by restricting which models are able to enter the commercial market.
HB4122	tenants; notice; fees; disclosure; remedies	Requires a landlord to provide at least nine months' notice of a rent increase to tenants who are on a lease of one year or more or who have rented from the landlord for one year or more. Prohibits a landlord from charging certain rental application and payment-related fees, including excessive screening fees, duplicate application fees within a 12-month period, or fees for using payment portals or methods. Requires expanded fee and rent disclosures in rental agreements and advertisements, including mandatory fees and optional services that a tenant may decline. Deems a landlord's violation of the Arizona Residential Landlord and Tenant Act to be an unlawful practice subject to enforcement under Arizona's consumer fraud laws.	Legal & Administrative	Increased housing costs	Increases liability risk and regulatory complexity for landlords, discouraging new housing development and increasing rental prices.

HB4124	health insurance; pharmacy; reimbursement rates	Prohibits a pharmacy benefit manager from reimbursing a contracted local pharmacy or pharmacist at less than the acquisition cost for a covered drug, device, or service and restricts reimbursement formulas to approved benchmarks with defined error limits. Prohibits pharmacy benefit managers from retaining manufacturer rebates, engaging in spread pricing or patient steering, and requires disclosure of pharmacy benefit management fees and annual transparency reporting to the Department of Insurance and Financial Institutions. Authorizes the Attorney General to enforce violations as unlawful practices. Establishes a Pharmacy Benefit Manager Monitoring Advisory Council. Effective January 1, 2027.	Legal & Administrative	Increased healthcare costs	By banning certain pricing models and introducing heavy regulatory oversight, this bill drives up insurance costs, resulting in higher premiums.
HCR2021	minimum wage; increase; definitions	Increases the minimum wage to $18 per hour beginning January 1, 2027. Requires annual cost-of-living increases to the minimum wage beginning January 1, 2028, based on changes in the consumer price index, and freezes the wage if the cost of living decreases. Requires employers, beginning January 1, 2030, to pay the full minimum wage to tipped employees regardless of tips received. Severability clause. If passed by the Legislature, this legislation will be submitted to the voters at the 2026 general election.	Labor Costs	$1.9B	Increases labor costs to business owners and lowers employment.
HCR2022	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	$26.6B	According to prior economic research, states without "right to work" policies experience slower population, employment, and economic growth than states with.
SB1066	civil liability; fraudulent scientific research	Authorizes the Attorney General or a county attorney to bring a civil action against a researcher who knowingly or recklessly publishes fraudulent scientific research. Allows courts to order injunctive relief, restitution, civil penalties, and other appropriate relief and establishes a four-year statute of limitations. Authorizes private parties harmed by fraudulent scientific research to file a civil action to recover actual damages and reasonable attorney fees.	Legal & Administrative	Increased legal costs	Increases legal liabilities for researchers and research organizations.

SB1120	radiation protection systems; installation requirement	Requires each hospital that performs cardiac catheterization procedures involving real-time X-ray imaging to equip at least 50 percent of applicable procedure rooms with a "radiation protection system" (defined) by July 1, 2027. Provides that a hospital satisfies the requirement if the hospital issues a purchase order for radiation protection systems for at least 50 percent of the applicable procedure rooms on or before July 1, 2027 and installs those systems not later than December 31, 2027. SENATE ENGROSSED	Legal & Administrative	$19.4M	Forces hospitals to purchase specific and expensive equipment, and imposes a "one-size fits all" approach to medical safety within hospitals that perform cardiac catheterization.
SB1225	pharmacies; cost sharing requirement; rebates	Requires pharmacy benefit managers and third-party payors to calculate a covered individual's prescription drug cost sharing at the point of sale using a price reduced by at least 100 percent of all rebates received for the drug. Prohibits pharmacy benefit managers and third-party payors from retaining any portion of rebates or other price concessions as revenue and allows greater reductions in cost sharing. Applies to contracts, policies and evidences of coverage entered into, renewed, extended or modified beginning January 1, 2027.	Legal & Administrative	Increased healthcare costs	Eliminates plan-wide savings on prescription drugs, driving up health insurance premiums.
SB1226	pricing; covered goods; requirements.	Requires "covered suppliers" to offer the same terms of sale for "covered food goods" to all "covered retailers and wholesalers" (all defined) purchasing the same volume unit basis and to provide anonymized pricing data on request. Prohibits suppliers from charging different prices based on "channels of trade" (defined) and restricts dominant covered retailers from imposing coercive or excessive purchasing terms that would induce violations. Establishes defenses for price differences based on efficiencies, voluntary agreements or perishable and distress sales and limits supplier liability when dominant retailers impose unlawful terms. Authorizes the Attorney General and injured persons to enforce violations as unlawful trade practices and seek injunctive relief and civil penalties of up to three times actual damages.	Legal & Administrative	$121.7M	Forces large food suppliers to offer the exact same purchase terms to all Arizona grocery stores and wholesalers, which would immediately raise the price of groceries, particularly at large retailers.
SB1227	prior authorization; gold card exemption	Requires a health care insurer to grant a gold card exemption from prior authorization requirements to a participating provider that meets specified submission volume and approval rate thresholds for a particular health care service. Allows the exemption for up to six months, permits periodic review and limits rescission to specified circumstances with notice and appeal rights. Applies to prior authorization requests submitted on or after January 1, 2027.	Legal & Administrative	Increased healthcare costs	Makes the process of reviewing, auditing, and disputing medical insurance claims more expensive, raising premiums for patients.

SB1228	health insurers; provisional provider credentialing	Requires a health insurer to grant provisional credentialing to a provider upon receipt of a complete credentialing application if specified licensure and prior credentialing conditions are met. Requires the insurer to reimburse claims at contracted rates during the provisional credentialing period, which lasts until application approval or denial or for up to 60 days. Applies to credentialing applications submitted beginning January 1, 2027.	Legal & Administrative	Increased regulatory costs	Bypasses full doctor background checks, exposing patients to unvetted medical staff while subjecting insurers to unnecessary financial risk.
SB1230	motor vehicle dealer; advertising; restriction	Requires motor vehicle dealers, in any advertisement that lists a price, to state a total purchase price that includes all dealer-imposed fees and is not contingent on financing, ancillary product purchases or other conditions. Requires the total purchase price to appear as the largest and most prominent text in the advertisement and limits inclusion of rebates or incentives to those available to all retail consumers without condition. Prohibits brokers from advertising prices or payment terms and requires disclosure that advertised vehicles are subject to availability from the selling dealer.	Legal & Administrative	Increased regulatory costs	Prevents dealerships from advertising low monthly payments, even if those financing details are what their customers care about most.
SB1301	business relocation; notice; penalty	Requires an employer with 50 or more employees that intends to relocate operations from Arizona to another state or a foreign country to provide at least 120 days' advance notice to the Department of Economic Security (DES) and subjects the employer to civil penalties of up to $10,000 per day for noncompliance. Requires DES to publish and distribute a semiannual list of employers that relocate out of Arizona. Prohibits listed employers from receiving state subsidies for five years and requires repayment of prior state subsidies, unless the Arizona Commerce Authority grants a waiver based on specified economic or environmental findings. Requires state agencies to ensure that work related to state business is performed entirely within Arizona and restricts state contractors from performing state work outside Arizona, with phased compliance deadlines. Effective November 1, 2026.	Legal & Administrative	Increased regulatory costs	Discourages new business investment by increasing the costs of relocation. Also increases costs to the state government by mandating that only contractors within the state of Arizona be used for state business.
SB1322	price regulation; abnormal market disruptions	Prohibits a person in the chain of distribution from selling or offering for sale essential goods or services at prices that are 15 percent or more above pre-disruption prices during an abnormal market disruption, subject to a rebuttable presumption tied to increased costs. Defines abnormal market disruption and covered goods and services, including food, energy, prescription drugs and telecommunications, and excludes luxury items. Authorizes the Attorney General to enforce the prohibition, establishes misdemeanor penalties, allows injunctive relief and treble damages, and creates a private right of action with enhanced penalties for buyers age 60 or older. Allows cities, towns and counties to adopt additional excessive pricing ordinances.	Legal & Administrative	$125.3M	Reduced good availability and leads to potential shortages during times of emergency due to limitations on price increases.

SB1325	elevator requirements; construction project; employees.	Requires construction projects designed to reach at least 60 feet above ground level or at least 48 feet below ground level to provide a personnel hoist, temporary elevator or elevator for employee use, and requires the elevator to be installed and operational once the structure reaches 36 feet in height.	Legal & Administrative	$27.7M	Increases construction costs for certain buildings by requiring elevators for construction workers.
SB1351	energy measuring; reporting prohibition; repeal.	Repeals statutes that prohibit municipalities and counties from requiring energy usage measurement or reporting by property owners or utilities.	Legal & Administrative	Increased regulatory costs	Imposes an administrative burden on businesses and owners of multifamily properties to measure and report private usage of a utility to an entity that could use that information to charge for or limit use of energy.
SB1354	auxiliary containers; regulation; prohibition; repeal.	Repeals statutes that prohibit municipalities and counties from regulating auxiliary containers.	Legal & Administrative	$177.1M	By allowing localities to individually regulate the use of plastic bags and other containers, Arizona consumers could face upwards of $140M in additional costs each year based on analysis of California's plastic bag ban.
SB1357	large electronics; recycling; programs	Establishes a statewide Large Electronics Recycling Program that requires manufacturers to register with the Arizona Department of Environmental Quality (ADEQ), submit and implement a manufacturer recycling plan, and finance free collection, transportation and recycling of covered electronic devices for households. Prohibits the sale of covered electronic devices in Arizona unless the brand participates in an approved manufacturer program, beginning January 1, 2027. Prohibits consumer fees for standard collection and recycling, requires convenient statewide collection access, and authorizes premium service fees only for optional enhanced services. Directs ADEQ to review and approve plans, publish compliant manufacturers, promote collection opportunities, issue biennial reports and adopt rules for the Program. Creates the Covered Electronics Devices Fund and requires ADEQ to use Fund monies to administer and enforce the Program.	Energy & Environmental	Increased regulatory costs	Increases compliance costs for manufacturers by requiring them to fund, implement, and maintain recycling programs.

SB1377	working conditions; heat illness; prevention.	Requires the Industrial Commission of Arizona to adopt comprehensive heat and cold illness prevention standards for indoor and outdoor workplaces, including requirements for water, shade or climate-controlled areas, paid rest periods, acclimatization, training, emergency response, and temperature monitoring. Requires employers to implement written heat and cold stress programs and provide personal protective equipment at no cost. Authorizes employees to bring a private right of action to enjoin violations or recover damages. Requires the Commission to manage an anonymous reporting hotline for potential violations. Allows cities, towns and counties to adopt additional protective standards.	Labor Costs	$1.3B	Impacts private businesses by increasing regulations and the cost of conforming to safety standards that have minimal impact on the average worker.
SB1381	state lands; leases; groundwater use.	Requires the State Land Department to establish by rule and collect an annual groundwater withdrawal fee from each lessee of state agricultural land located outside of an active management area or an irrigation non-expansion area for irrigation use of groundwater. Requires each affected lessee, by March 31 of each year, to report the location of each well, the quantity of groundwater withdrawn during the prior calendar year, and the uses of that groundwater. Directs deposit of the collected fees into the fund of the appropriate state land trust beneficiary.	Energy & Environmental	$247.2M	Increases agricultural production costs by imposing new fees on groundwater use.
SB1383	greenhouse gas programs; repeal; prohibition.	Repeals state law authorizing programs to regulate greenhouse gas emissions.	Energy & Environmental	$706.0M	Allows the state to impose environmental regulations that could increase electricity prices by a cumulative 12% by 2030.
SB1385	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, 2036.	Energy & Environmental	$3.0B	Increases electricity generation costs and reduces grid reliability by mandating 50% renewable electricity generation by 2036.
SB1427	e-verify program; license; penalties; employment	Requires courts, upon finding that a business or employer recklessly hired an unauthorized alien or failed to verify employment eligibility with E-verify, to order the termination of unauthorized workers and impose quarterly reporting requirements. Requires suspension of a business license for a first violation, revocation for a second violation, and indefinite suspension for a third or subsequent violation. Authorizes the Attorney General and county attorneys to bring enforcement actions and allows state residents to petition the Attorney General to investigate alleged violations.	Legal & Administrative	Increased legal and labor costs	Threatens to shut down entire businesses over administrative errors, destroying jobs for legal workers.

SB1441	single-family residence purchases; limitations.	Requires corporations, limited liability companies, and their affiliates to register with the Arizona Corporation Commission (ACC) before purchasing single-family residences and conditions deed recording on proof of registration and disclosure that the home is not a primary residence. Exempts entities owning fewer than ten units and specified governmental, nonprofit, land trust, group home, and employer-provided housing uses. Limits corporate and affiliate acquisitions to no more than five percent of single-family residences within a census tract, no more than 50 purchases per calendar year statewide, and a maximum ownership cap of 2,000 single-family residences in Arizona. Establishes civil penalties of up to $20,000 per violation, with penalties deposited in the Housing Trust Fund and enforcement by the Attorney General. Requires the ACC to annually report on corporate purchases and sales of single-family residences to the Governor and the Legislature.	Legal & Administrative	$189.3M	Reduces the supply of rental housing by limiting the number of rental housing units that can be purchased by corporations, and increases administrative costs for corporations that purchase SFH for rent. Increases costs for renters by over $189M.
SB1442	single-family residences; corporate buyer restrictions.	Requires corporations, limited liability companies, and their affiliates to register with the Arizona Corporation Commission (ACC) before purchasing single-family residences, condominiums, or townhomes. Exempts entities owning fewer than ten units and specified governmental, nonprofit, land trust, group home, and employer-provided housing uses. Establishes civil penalties of up to $20,000 per violation, with penalties deposited in the Housing Trust Fund and enforcement by the Attorney General. Prohibits a corporation from purchasing a single-family residence, condominium, or townhome unless the property has been on the market for more than 90 days or the asking price has changed. Requires the ACC to annually report on corporate purchases and sales of single-family residences, condominiums, and townhomes to the Governor and the Legislature.	Legal & Administrative	$189.3M	Reduces the supply of rental housing by limiting the number of rental housing units that can be purchased by corporations, and increases administrative costs for corporations that purchase SFH for rent. Increases costs for renters by over $189M.

SB1459	public employees; collective bargaining	Establishes the Public Employee Bargaining Act to authorize collective bargaining for public employees on wages, hours and other terms and conditions of employment and to prohibit strikes and lockouts. Creates the Public Employee Labor Relations Board to administer collective bargaining, designate bargaining units, certify or decertify exclusive representatives, resolve disputes and enforce prohibited practices, and allows political subdivisions to establish approved local labor relations boards. Requires secret-ballot representation elections, defines impasse resolution procedures using mediation and arbitration, and makes payroll deduction of certified union dues a mandatory subject of bargaining. Designates exclusive representatives to negotiate on behalf of all employees in a bargaining unit while allowing individual employees to present grievances. Exempts the Public Employee Labor Relations Board from the Administrative Procedure Act appeal process and establishes judicial enforcement standards for Board decisions. Terminates the Public Employee Labor Relations Board on July 1, 2034, and repeals the Public Employee Bargaining Act on January 1, 2035.	Labor Costs	Increased labor costs	Increase labor costs for government entities and ultimately taxpayers.
SB1463	data centers; tax relief; repeal..	Repeals the computer data center tax relief program and income tax incentives. Deletes transaction privilege tax and use tax exemptions for computer data center equipment and colocation facilities. Applies to tax periods beginning from and after the first month following the general effective date. 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	$38.5M	Disincentivizes investment in data center infrastructure by charging TPT on both intermediate equipment purchases and final services.
SB1464	coverage; family and medical leave.	Establishes a statewide Family and Medical Leave Insurance Program administered by the Industrial Commission to provide paid leave benefits beginning January 1, 2029 for childbirth and bonding, family caregiving, a worker's own serious health condition, military-related exigencies and safe leave related to domestic or sexual violence. Authorizes up to 26 weeks of benefits for a worker's own serious health condition and up to 24 weeks for other qualifying reasons, with weekly wage replacement up to $1,000 initially, subject to annual adjustment. Requires employers and employees to equally fund the Program through payroll contributions beginning January 1, 2028, and creates the Family and Medical Leave Insurance Fund to pay benefits and administer the Program. Prohibits retaliation, requires job restoration and continuation of health benefits during leave, and establishes enforcement, appeals and reporting requirements. Severability clause. Emergency clause.	Labor Costs	$1.8B	Imposes new payroll taxes to fund a state-run paid family and medical leave program, pulling millions of dollars away from working residents, whether or not they qualify for benefits.

SB1465	employment; labor relations; occupations; leave	Requires the Industrial Commission of Arizona to adopt and enforce comprehensive heat illness prevention standards for indoor and outdoor workplaces, creates a private right of action for violations and prohibits retaliation. Establishes a statewide Family and Medical Leave Insurance Program administered by the Industrial Commission to provide paid leave benefits beginning January 1, 2029 for childbirth and bonding, family caregiving, a worker's own serious health condition, military-related exigencies and safe leave related to domestic or sexual violence. Authorizes up to 26 weeks of benefits for a worker's own serious health condition and up to 24 weeks for other qualifying reasons, with weekly wage replacement up to $1,000 initially, subject to annual adjustment. Requires employers and employees to equally fund the Program through payroll contributions beginning January 1, 2028, and creates the Family and Medical Leave Insurance Fund to pay benefits and administer the Program. Prohibits retaliation, requires job restoration and continuation of health benefits during leave, and establishes enforcement, appeals and reporting requirements. Requires occupational licensing authorities to expand pathways for licensure through apprenticeships. Repeals the statute that prohibits conditioning employment on union membership or nonmembership, conditionally enacted on Arizona voters approving a constitutional amendment repealing right-to-work protections at the 2026 general election.	Labor Costs	$3.1B	Increases labor costs by forcing employers in specific industries to meet strict heat safety measures, and establishes a state-run paid family and medical leave program, very similar to SB1464, taking away millions of dollars away from residents regardless of whether or not they qualify for benefits.
SB1467	data centers; tax relief; repeal.	Repeals the computer data center tax relief program and income tax incentives. Deletes transaction privilege tax and use tax exemptions for computer data center equipment and colocation facilities. Applies to tax periods beginning from and after the first month following the general effective date. 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	$38.5M	Raises costs for Arizona data centers.
SB1508	utilities; annual disclosure requirements; commission	Requires regulated electric and gas utilities and agricultural improvement districts to file annual, publicly available disclosures with the Arizona Corporation Commission (ACC) itemizing specified expenses, employee compensation booked to above-the-line accounts, and vendor costs, beginning May 1, 2027. Requires clear disclosure in public messages of whether costs are paid by shareholders or ratepayers and identification of funding sources for above-the-line messaging on request in rate cases. Directs the ACC to monitor compliance and authorizes a civil penalty of up to $1,000 for reporting violations.	Legal & Administrative	Increased energy costs	Increases administrative overhead for utility companies while compromising their privacy by imposing broad public reporting mandates.

SB1571	monopoly utilities; marketing expenses	Prohibits monopoly utilities with a defined customer base from directly or indirectly passing costs associated with marketing, partnerships, advertising, community relations, and sponsorships through to customers. Requires these utilities to submit an annual report of these activities and related expenses to the Governor, the President of the Senate, and the Speaker of the House of Representatives, and to post and maintain these reports on their website. Mandates that the annual report include an attestation that such expenses were not passed on to customers.	Energy & Environmental	Increased regulatory costs	Increases administrative costs for utilities while imposing rigid price controls that disrupt standard business cost recovery.
SB1575	corporate tax; business income; allocation	Changes the apportionment of corporate business income by ending the election to use a single sales factor after December 31, 2026 and requiring continued use of the property, payroll, and sales factor formula. Changes the sourcing of sales other than tangible personal property to a market-based approach for taxable years beginning after December 31, 2026, instead of income-producing activity or cost-of-performance sourcing. Ends the phased election allowing multistate service providers to blend market sales and income-producing activity sales after December 31, 2025. Requires the Arizona Department of Revenue to adopt rules to implement these changes.	Tax & Public Finance	$292.9M	Removes the ability for corporations to apportion out income earned in a state according to the % of total sales made in that state (single sales factor)
SB1606	plug in solar energy; requirements	Prohibits a public power entity or public service corporation from requiring approval, fees, or additional equipment for a customer's use of a "portable solar generation device" (defined) and limits utility liability for injuries or death arising from customer operation when power is disconnected. Requires a portable solar generation device to include a feature that prevents energizing a building's electrical system during a power outage.	Energy & Environmental	Increased regulatory costs	Restricts utility oversight and fee collection on plug-in solar devices, driving up administrative costs for power companies.
SB1607	consumer assistance; health insurance claims	Establishes a Health Care Claims Consumer Assistance Program in the Department of Insurance and Financial Institutions (DIFI) to assist consumers with health insurance claims, appeals, disputes, and education regarding coverage rights and responsibilities. Authorizes DIFI to impose civil penalties of at least $25,000 per violation for repeated wrongful claim denials, requires insurers to pay double damages and attorney fees for wrongful denials or underpayments, and allows additional damages based on the severity of harm. Requires health insurers to disclose data on denied and wrongfully denied claims and requires DIFI to annually compile and publicly post a report detailing denial and appeal outcomes by insurer and health plan beginning May 1, 2027. Appropriates $250,000 from the state general fund in FY2026-27 to DIFI for the Program.	Legal & Administrative	$37.0M	Incentivizes litigation against health insurance companies while forcing them to self-report falsely denied claims - claims that would automatically make them liable for double damages plus attorney fees.

SB1608	landlords; habitable conditions; temperatures	Requires a landlord to maintain indoor air temperatures at or below 82 degrees Fahrenheit and at or above 68 degrees Fahrenheit during extreme cold as a condition of a fit and habitable dwelling and prohibits a landlord from setting or requiring thermostat settings outside those limits. Shortens the notice period to two days for a tenant to terminate a rental agreement if a landlord fails to provide functioning air conditioning or heating in violation of habitability standards that materially affect health and safety. Prohibits a landlord from evicting or attempting to evict a tenant during any week in which the outdoor temperature reaches 90 degrees Fahrenheit or higher on two or more days.	Legal & Administrative	Increased rental costs	Increases costs for landlords and would limit the availability of rental housing by prohibiting landlords from evicting tenants under any circumstances when the temperature reaches 90 degrees twice in a given week. In southern Arizona this effectively means evictions are banned for nearly half the year or more.
SB1629	behavioral health; contracts; network adequacy	Requires a managed care organization to provide at least 90 days' written notice to the Arizona Health Care Cost Containment System (AHCCCS) Administration before terminating a high-volume behavioral health service provider's contract without cause and to submit a network adequacy study demonstrating continued compliance after termination. Prohibits a managed care organization from proceeding with a without-cause termination of a high-volume service provider unless the AHCCCS Administration reviews the study and confirms that network adequacy standards will be met. Requires the AHCCCS Administration to publicly post network adequacy studies and determinations and transmit them to legislative health committee chairs and the Governor. Requires a managed care organization that is a "high-volume service provider" (defined) declines to contract with a provider based on network adequacy to submit and publicly post a supporting network adequacy study. SENATE ENGROSSED	Legal & Administrative	Increased healthcare costs	Forces insurers to maintain costly contracts that inflate overall healthcare costs.
SB1710	pharmacy benefits; patient steering; prohibition	Prohibits pharmacy benefit managers from steering patients to affiliated pharmacies, transferring patient or prescriber prescription data for commercial purposes, offering inducements or penalties tied to affiliated providers, paying higher reimbursements to affiliated providers, or engaging in unfair or deceptive practices. Prohibits pharmacy benefit managers and health insurers from requiring clinician-administered drugs to be dispensed by a pharmacy or affiliated provider or from imposing higher cost sharing or different benefit tiers based on the site of administration. Requires pharmacy benefit managers, as a condition of licensure, to submit annual transparency reports to the Department of Insurance and Financial Institutions beginning March 1, 2027, detailing rebates, fees, reimbursements, services, and corporate integration, with public availability subject to confidentiality limits. Applies these requirements to contracts entered into, amended, extended, or renewed on or after the effective date.	Legal & Administrative	Increased healthcare costs	Potentially raises prescription drug costs by banning plans use to direct patients toward lower-cost pharmacy channels, forcing insurers to pay for higher-cost dispensing. Tellingly, the bill exempts the state's own employee health plan, suggesting there may be costs associated with the bill.

SB1714	pricing; emergency; enforcement; attorney general	Prohibits selling or offering for sale commodities necessary to preserve life, health, safety, or property during a state of emergency at prices that are at least ten percent higher than the highest price charged during the 30 days before the emergency declaration. Classifies knowing and willful violations as a class 5 (second lowest) felony when total sales of affected commodities equal or exceed $500 within a twenty-four-hour period and as a class 6 (lowest) felony when total sales are less than $500. Authorizes the Attorney General to investigate violations and enforce the prohibition as an unlawful trade practice.	Legal & Administrative	$125.3M	Potential shortages during times of emergency due to price restrictions.
SB1716	clozapine; access; monitoring modifications	Requires health insurers, the Arizona Health Care Cost Containment System and its contractors, county jails, and the Department of Corrections to provide uninterrupted access to clozapine for individuals for whom it is prescribed and prohibits denial, delay, rationing, or discontinuation based on administrative policies or laboratory logistics. Requires coverage of reasonable and clinically appropriate alternatives for hematological monitoring, allows patients or authorized decision-makers to waive or modify routine monitoring through informed consent, and prohibits dispensing practices that limit medication quantity solely to enforce laboratory compliance. Prohibits retaliation against patients or providers for exercising these rights and provides good-faith protections for providers who continue clozapine with modified or waived monitoring. Adds clozapine access and treatment protocols as covered services within the Arizona Long-Term Care System and children's behavioral health system.	Legal & Administrative	Increased healthcare costs	Insurers would need to cover expensive home blood draws and specialized testing devices, driving up overall healthcare costs.
SB1721	prevailing wage contracts; agreements	Requires state-sponsored or state-financed public construction contracts to include prevailing wage and fringe benefit requirements tied to local rates and directs the Arizona Department of Administration to determine, post, and inspect compliance with those rates. Prohibits retaliation against construction workers who report violations, authorizes civil penalties and enforcement by the Attorney General or county attorney, and allows workers to recover damages and attorney fees when an agent fails to include required wage provisions.	Labor Costs	$156.8M	Requires contractors on state-funded construction projects to pay workers a higher wage, leading to higher project costs to the taxpayer.
SB1779	mandatory inclusionary zoning; prohibition	Repeals statutes that prohibit mandatory inclusionary zoning.	Legal & Administrative	Increased housing costs	Allows local governments to require below-market rent on new housing developments, discouraging new construction and driving up housing costs.

SB1788	homeowners; renters; insurance; cancellation; nonrenewal	Expands consumer protections for homeowners and renters insurance by requiring insurers to disclose excluded perils, premium factors, risk scores, and imagery used in underwriting. Requires at least 60 days' notice and an explanation before coverage reductions or premium increases exceeding 10 percent. Prohibits cancellations and nonrenewals during declared states of emergency for specified periods and requires additional living expense coverage for total or uninhabitable loss claims without requiring an itemized inventory first. Applies to all contracts entered into, renewed, extended, or modified beginning January 1, 2027.	Legal & Administrative	Increased insurance costs	By forcing home insurers to cover high-risk clients at regular prices, insurers would need to either raise premiums or pull out of Arizona entirely, limiting options and increasing costs for property owners.
SB1797	essential drugs; price increases; limits.	Prohibits prescription drug manufacturers and wholesale distributors from engaging in price gouging for essential off-patent or generic prescription drugs sold in Arizona. Authorizes the Attorney General to investigate substantial price increases for these drugs, require cost justifications, and seek injunctive relief, restitution, and civil penalties of up to $10,000 per violation. Requires manufacturers that engage in price gouging to offer affected drugs to participants in the State Medical Assistance Program at pre-increase prices for up to one year.	Legal & Administrative	Medicine shortages	Impacts consumers by placing a price control on essential drugs that may lead to a shortage of necessary medicine.
SCR1035	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	$26.6B	According to prior economic research, states without "right to work" policies experience slower population, employment, and economic growth than states with.

APPENDIX 2: 'JOB KILLERS' BILL IMPACT SOURCE LIST

Mercatus Center, Snapshots of State Regulations

Arizona Department of Revenue, Fiscal Year 2025 Annual Report, https://azdor.gov/sites/default/files/document/REPORTS_ANNUAL_2025_ASSETS_fy25_annual_report.pdf

Arizona Department of Revenue, The Revenue Impact of Arizona's Tax Expenditures Fiscal Year 2025, https://azdor.gov/sites/default/files/document/REPORTS_EXPENDITURES_2025_fy25-preliminary-tax-expenditure-report.pdf

Joint Legislative Budget Committee, https://www.azjlbc.gov/revenues/25taxbk.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

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/

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

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

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

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

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

U.S. Department of Energy, https://tedb.ornl.gov/wp-content/uploads/2022/03/TEDB_Ed_40.pdf

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

Arizona Department of Revenue, https://azdor.gov/sites/default/files/document/PROPERTY_AbstractAssessmentRoll.pdf

Arizona Department of Revenue, 2023 Individual Income Tax Statistics, https://azdor.gov/sites/default/files/document/REPORTS_STATS_2023_ArizonaIndividualIncomeTaxStatistics.pdf

U.S. Energy Information Administration, Form EIA-860 detailed data with previous form data, https://www.eia.gov/electricity/data/eia860/

U.S. Energy Information Administration, U.S. Utility-Scale Solar 2025 Data Update, https://emp.lbl.gov/sites/default/files/2025-10/Utility%20Scale%20Solar%202025%20Edition%20Slides.pdf

USDA, Dairy, Livestock, and Poultry, https://www.fas.usda.gov/data/commodities/dairy-livestock-and-poultry

Frontiers, Economic Cost of Traceability in U.S. Beef Production, https://www.frontiersin.org/journals/animal-science/articles/10.3389/fanim.2020.552386/full

Cleanview, Planned Solar Farms in Arizona, https://cleanview.co/power-projects/planned/solar-farms/arizona

International Renewable Energy Agency (IRENA), 24/7 Renewables, https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2026/May/IRENA_TEC_24-7_renewables_2026.pdf

KFF, Claims Denials and Appeals in ACA Marketplace Plans in 2024, https://www.kff.org/patient-consumer-protections/claims-denials-and-appeals-in-aca-marketplace-plans-in-2024/

REFERENCES

i. "Paid Family and Medical Leave is Starting in Colorado," *Common Sense Institute,* January 6,2023.

ii. De Sousa, Tanya, Henry, Meghan, "The 2024 Annual Homelessness Assessment Report (AHAR) to Congress," *U.S. Department of Housing and Urban Development,* December 2024.

iii. McLean, Danielle, "150 cities tested guaranteed income. Here's what worked – and what didn't," *Smartcitiesdive,* December 4, 2025.

iv. Gamm, Erik, Kaminsky, Ross, "Unemployment Insurance and the Growing List of Colorado Policy Pain Points," *Common Sense Institute,* June 18, 2026.

v. U.S. Bureau of Labor Statistics, Current Employment Statistics, State and Local Area Employment.

vi. American Community Survey, 1-Year Estimates "State-to-State Migration Flows," *U.S. Census Bureau.*

vii. "Preapproved Building Plans Help Cities Improve Housing Affordability," *The Pew Charitable Trusts,* May 13, 2026.

viii. Trebbi, Francesco, Ben Zhang, Miao, Simkovic, Michaelm "The Cost of Regulatory Compliance in the United States," *USC Marshall School of Business Research Paper Sponsored by iORB,* October 23, 2024.

ix. Austin, Benjamin & Matthew Lilley, "The Long-Run Effects of Right to Work Laws", *Harvard University,* November 16, 2021.

x. Redmond, Sean, "Right-to-Work Laws: The Economic Evidence (2018 Update)," *U.S. Chamber of Commerce,* May 11, 2018.

xi. Davis, Jon, "Paid family leave laws: A state-by-state guide", *Onpay,* June 26, 2024.

xii. 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.

xiii. Coles, Jason, "Arizona State Minimum Wage", *Foreign USA,* February 2, 2024.

xiv. Neumark, David & Wascher, William, "Minimum Wages", *MIT Press,* August 13, 2010.

xv. Editorial Board, "California's Minimum Wage Backfire", *The Wall Street Journal,* July 19, 2024.

xvi. "Workplace Heat Safety Task Force Delivers Recommendations, Implements Governor Hobbs' Executive Order," *Office of the Governor Katie Hobbs,* December 31st, 2025.

xvii. Pizer, William & Raymond Kopp, "Calculating the Costs of Environmental Regulation", *Resources for the Future,* March 2003.

xviii. "New Energy Laws & Regulations to Comply with HB19-1261 Climate Action Plan to Reduce Pollution Since 2019", *Common Sense Institute,* March 6, 2023.

xix. Office of Economic Research and Analysis, "The Revenue Impact of Arizona's Tax Expenditures Fiscal Year 2025," *Arizona Department of Revenue,* November 15, 2025.

xx. Idel, Robert, "Levelized Fuel System Costs of Electricity," *Rice University,* February 15, 2022.

xxi. "Data Centers in Arizona," *Cleanview,* August 2026.

xxii. "Data Centers – How We're Protecting Customers While Planning for Big Energy Needs," *APS,* accessed August 18, 2026.

xxiii. "FY 2025 Annual Report," *Arizona State Land Department,* October 1, 2025.

xxiv. 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.

xxv. Daly, Lyle, "Average Credit Card Processing Fees and Costs", *The Ascent,* March 9, 2023.

xxvi. Montgomery, David, Baron, Robert, Weisskopf, Mary, "Potential Effects of Proposed Price Gouging Legislation on the Cost and Severity of Gasoline Supply Interruptions," *Journal of Competition Law & Economics,* September 1, 2007.

xxvii. Phillips, Coleby, "Is Arizona prepared for a natural disaster? See where a new study ranks the state," AZCentral, July 2, 2024.