

POLICY *report*

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2007 Legislative Report Card for Arizona's Forty-eighth Legislature, First Regular Session

by Andrea Woodmansee, Director of Publications, Goldwater Institute

EXECUTIVE SUMMARY

Mark Twain once quipped, "No man's life, liberty, or property is safe while the legislature is in session." That is often true, but as the lawmaking branch of government, the legislature also has a great capacity to protect life, liberty, and property.

The question is whether legislators, individually and collectively, fulfill their constitutional duty to uphold liberty. This fifth edition of the annual Goldwater Institute *Legislative Report Card* scores Arizona legislators on more than 300 votes across four categories: education, constitutional government, regulation, and tax and budget. Those scores are tabulated into final percentage scores and letter grades that indicate how well each legislator adheres to the principles of limited government enshrined in the U.S. and Arizona Constitutions.

The report's broad scope and intuitive grading scale shine light into what are often dark recesses of a complex legislative process. Such transparency is essential to a free society that depends on a well-informed electorate. The sheer amount of legislation (more than 1,500 bills, memorials, and resolutions introduced this session) makes it difficult for citizens to know whether their elected representatives are serving the interests of liberty. This report attempts to objectively quantify legislative action in that regard.

Scores for the Forty-eighth Arizona Legislature reveal a trend toward more government involvement in education, business, and individual finances. From 2003 to 2005, average scores rose nine points in both the House of Representatives and the Senate. Since 2005, however, the average House score has fallen 12 points and the average Senate score has fallen 13 points. This indicates a shift away from the principles of liberty.

The highest-scoring senators were Ron Gould (R-3), Pamela Gorman (R-6), and Jack Harper (R-4). The highest-scoring representatives were Judy Burges (R-4), Russell Pearce (R-18), and Andy Biggs (R-22).

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Introduction

“The United States ... is succumbing to ... the belief on the part of government that it can force the future to conform to its will. It never works, but trying always takes a toll on freedom. Government expands and freedom contracts; it is an iron law.”—George Will¹

The Arizona Constitution clearly sets forth the purpose of state government: “governments ... are established to protect and maintain individual rights.”² Too often, however, lawmakers’ good intentions and political considerations for special interests create a government that violates rights and involves itself in the minutia of citizens’ lives.

For example, legislators this session adopted legislation that implements a quality-assurance program for pharmacies. The intent may be consumer protection, but the result of such legislation is a bevy of regulations that burden businesses, make it more difficult for patients to get prescriptions, and cost consumers and taxpayers. Ultimately, these laws substitute the judgment of lawmakers and bureaucrats for personal responsibility. The trend toward turning individual decisionmaking over to government officials is a primary threat to individual liberty.

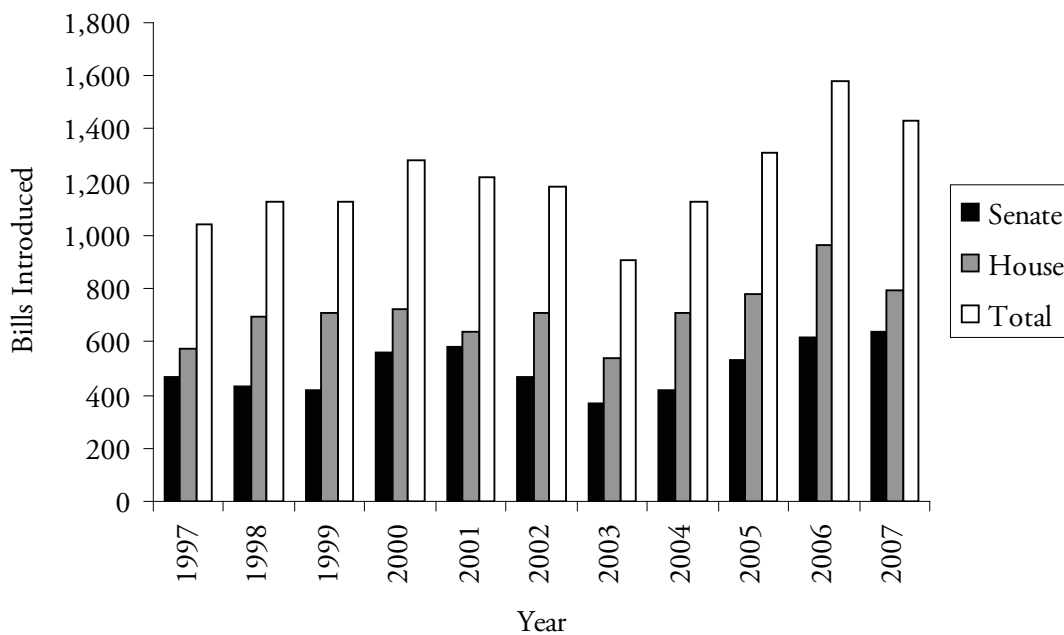
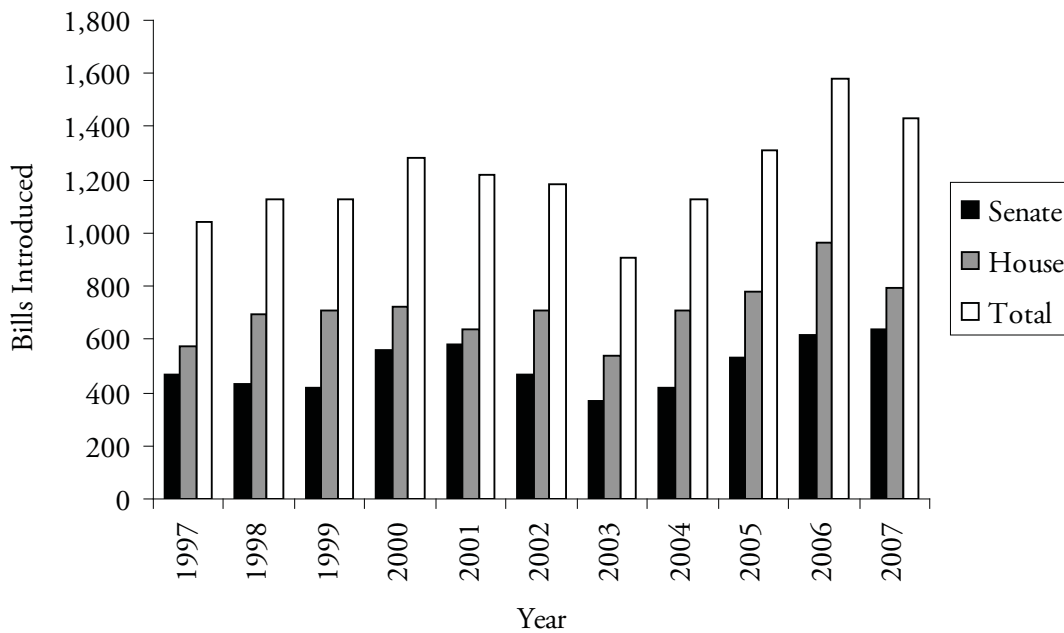
A sampling of bills introduced during the Forty-eighth Legislature’s first regular session reveals that lawmakers increased government programs, regulations, and spending. Very few bills significantly modified, reduced, or eliminated programs. If liberty is the primary interest of a free society, with minimal government being necessary to protect rights, then this trend should be troubling to Arizonans.

Government growth, however, is not inevitable. Through elections, citizens can hold legislators accountable. Unfortunately, the complexity of the legislative process and the sheer volume of legislation—more than 1,500 bills, memorials, and resolutions introduced this session—make it difficult for voters to monitor their representatives’ voting behavior.

This report card brings transparency to the legislative process so that citizens can hold their elected representatives accountable. As one Arizona newspaper commented after the publication of the first *Legislative Report Card*: “if you embrace the political ideals of Goldwater, the Institute’s report card is an apt guide of legislative performance. If Goldwater’s politics offend you, low-scoring lawmakers are right up your political alley.”³

A sampling of bills introduced during the Forty-eighth Legislature’s first regular session reveals that lawmakers increased government programs, regulations, and spending.

This report filters the legislative session through clear, objective criteria, and into easily understandable grades. By assigning total scores, the report gives a summary view of each legislator's commitment to constitutional principles. To reveal specific strengths and weaknesses, the report card also disaggregates legislative votes into four policy areas. By analyzing 307 votes (154 in the Senate and 153 in the House of Representatives), this report card attempts to reduce the potential selection biases of other ratings based on smaller portions of legislative activity.⁴



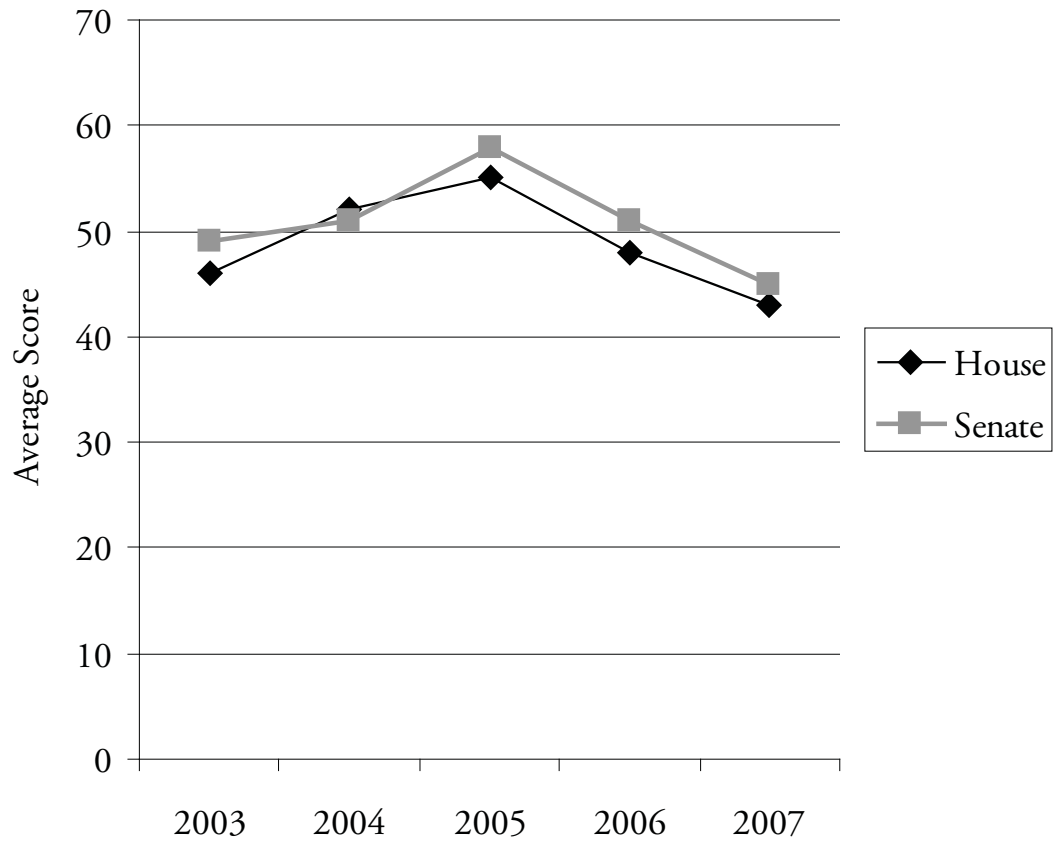


Table 1: Senate Scores and Grades

Name	District	2007		2006		Education	Const.		Tax & Budget
		Score	Grade	Score*	Change		Gov't.	Regulation	
Gould	3	77	A-	77	0	70	84	82	81
Gorman	6	67	B+	69	-2	61	59	79	80
Harper	4	64	B	74	-10	61	69	75	62
Johnson	18	61	B-	69	-8	56	61	71	66
Gray (Chuck)	19	61	B-			56	66	61	65
Verschoor	22	59	C+	70	-11	56	66	64	57
Burns	9	53	C-	57	-4	46	64	71	49
Flake	5	52	C-	57	-5	46	53	68	54
Huppenthal	20	50	C-	58	-8	46	58	64	47
Blendu	12	50	C-	55	-5	41	63	61	53
Allen	8	44	D	47	-3	37	52	61	45
Bee	30	44	D	53	-9	31	56	64	49
Gray (Linda)	10	44	D	57	-13	35	50	64	47
Tibshraeny	21	43	D	51	-8	36	53	50	46
Waring	7	43	D	56	-13	34	53	50	49
Chevront	15	42	D-	50	-8	34	38	68	53
Leff	11	41	D-	54	-13	32	47	57	47
O'Halleran	1	39	F+	44	-5	31	47	50	43
Arzberger	25	38	F+	42	-4	30	53	50	38
Hale	2	38	F+	40	-2	27	42	64	45
Rios	23	37	F+	40	-3	33	44	39	39
Aguirre	24	37	F+	39	-2	26	53	43	42
Soltero	29	34	F			30	38	57	31
Miranda	13	34	F	38	-4	32	31	54	32
Pesquiera	26	32	F			27	36	46	34
Aboud	28	32	F	36	-4	25	42	43	32
Garcia	27	32	F	33	-1	27	34	43	35
Burton-Cahill	17	30	F	30	0	27	30	32	35
Landrum-Taylor	16	30	F	30	0	27	27	46	31
McCune-Davis	14	29	F-	31	-2	27	31	36	28
Mean		45	D			38	50	57	47
Median		42	D-			33	52	57	46

*2006 scores are not available for senators who were elected in 2006 and took office in 2007.

Table 2: House of Representatives Scores and Grades

Name	District	2007		2006		Education	Const. Gov't.	Regulation	Tax & Budget
		Score	Grade	Score*	Change				
Burges	4	68	B+	71	-3	88	75	67	58
Pearce	18	67	B+	70	-3	69	75	67	60
Biggs	22	67	B+	70	-3	69	67	70	60
Farnsworth	22	66	B	72	-6	69	67	70	58
Clark	6	58	C+			81	69	56	47
Murphy	9	58	C+	67	-9	73	75	51	54
Nichols	21	55	C	62	-7	69	55	54	54
Groe	3	54	C	66	-12	62	66	49	53
Weiers (Jerry)	12	54	C	61	-7	69	69	49	45
Crump	6	53	C			77	59	49	47
Barnes	7	53	C	59	-6	77	69	45	45
Kavanagh	8	53	C			62	66	45	53
Stump	9	52	C-	66	-14	77	66	43	50
Adams	19	52	C-			77	63	49	40
Anderson	18	51	C-	54	-3	69	61	43	50
Barto	7	49	D+	67	-18	54	63	45	45
McComish	20	49	D+	48	1	69	63	43	42
Weiers (James)	10	48	D+	59	-11	69	63	41	42
McLain	3	47	D+	57	-10	62	63	41	40
McClure	30	46	D	41	5	54	52	46	40
Mason	1	46	D	47	-1	65	50	41	44
Robson	20	46	D	53	-7	69	52	43	37
Crandall	19	45	D			62	63	35	44
Driggs	11	45	D			73	53	38	42
Nelson	12	44	D	54	-10	58	55	38	42
Paton	30	44	D	44	0	54	48	43	41
Yarbrough	21	44	D	59	-15	81	50	39	35
Boone	4	42	D-	58	-16	69	52	35	38
Reagan	8	42	D-	46	-4	54	50	38	40
Hershberger	26	40	D-	40	0	46	48	39	33
Konopnicki	5	40	D-	46	-6	50	50	38	32
Burns	25	40	D-	42	-2	62	48	33	37
Tobin	1	39	F+			54	58	30	35
DeSimone	11	38	F+			46	41	36	36
Lopez	29	36	F	28	8	42	38	33	38
Campbell (Cloves)	16	36	F			54	41	38	22
McGuire	23	36	F			46	50	32	27
Tom	2	36	F	36	0	42	45	36	26
Prezelski	29	35	F	30	5	50	41	33	31
Saradnik	26	35	F			42	42	36	27

Table 2 (continued): House of Representatives Scores and Grades

Name	District	2007		2006		Education	Const. Gov't.	Regulation	Tax & Budget
		Score	Grade	Score*	Change				
Garcia	13	35	F	32	3	42	39	31	35
Miranda	16	35	F	35	0	46	38	38	23
Rios	23	35	F	33	2	46	41	35	26
Pancrazi	24	34	F			46	44	31	28
Ulmer	24	34	F			42	45	33	24
Alvarez	25	34	F	32	2	46	50	31	22
Bradley	28	34	F	30	4	42	38	30	35
Sinema	15	34	F	31	3	50	41	31	28
Brown	5	33	F	29	4	42	42	30	28
Meza	14	33	F	33	0	46	39	31	28
Cajero-Bedford	27	32	F	30	2	35	42	29	29
Kirkpatrick	2	32	F	33	-1	46	41	29	27
Lujan	15	32	F	33	-1	42	34	31	27
Schapira	17	31	F			46	41	29	23
Thrasher	10	31	F			46	44	26	24
Gallardo	13	31	F	32	-1	46	34	30	24
Lopes	27	30	F	29	1	46	38	28	22
Ableser	17	30	F			38	41	28	22
Campbell (Chad)	14	30	F			46	38	26	24
Farley	28	29	F-			46	34	28	22
Mean		43	D			57	51	39	37
Median		40	D-			54	50	38	36

*2006 scores are not available for representatives who were elected in 2006 and took office in 2007.

Methodology

Bill Selection

Rather than selecting bills that were especially meritorious or egregious, this report card reviewed all bills the House or Senate voted on in a “Third Read.”⁵ Bills that had a discernable impact on liberty in one of the Goldwater Institute’s core areas of research, including education, constitutional government, regulation, and tax and budget issues, were scored. Bills that did not pertain to one of the categories were excluded. Bills that may have pertained to more than one category were assigned based on the dominant policy area they stood to affect. The majority of bills that reached a floor vote were of a technical nature that did not clearly advance or restrict liberty, and were therefore excluded from scoring.

Scoring

For each of the 307 bills scored, a determination was made whether a vote for (yes) or against (no) would advance liberty through its fundamental components: limited government, the free enterprise system, and the rule of law.⁶ Points were awarded according to a straightforward +1, 0, or -1 system. For example, a legislator who voted “yes” on a bill that created unnecessary regulation would be given a -1, while voting against the bill would earn the legislator a +1. Those who did not vote on the bill would be assigned a 0. The points were then summed to determine the legislator’s raw score.

Final scores were calculated on a percentage basis (from zero to 100 percent) by adding the raw score to the total number of votes and then dividing by two times the number of votes.⁷ This puts all scores into a positive range, enabling side-by-side score comparisons.⁸

Weighting

All votes were given equal weight in the final score calculation. While bills certainly differ in importance and magnitude, allocating varying weights to bills would mean abandoning the objectivity of the scoring process. The Joint Legislative Budget Committee (JLBC) provides dollar estimates of the fiscal impact of some bills, so those could have been weighted and compared in dollar terms. But for many bills, the JLBC reports that the fiscal effect cannot be determined. Further, there are few reliable estimates of the pecuniary effect of proposed bills on the private economy, even where such an effect theoretically could be measured in dollars.⁹ Finally, it would be impossible to project a dollar amount for the effect of bills of a non-economic nature. For example, there is no way to estimate the dollar

All votes were given equal weight in the final score calculation. While bills certainly differ in importance and magnitude, allocating varying weights to bills would mean abandoning the objectivity of the scoring process.

value of a bill expanding or preserving free speech.¹⁰

This report card also treats all legislators equally, rather than weighting them according to leadership, committee membership, rank, or bill sponsorship: each vote is worth one point. This reflects the arrangement of the legislature itself, where roll-call votes assign equal influence to each legislator—no member’s vote is worth more than any other’s.

Final Grades

Final grades are determined by converting the raw percentage scores, between zero and 100 percent, to letter grades based on the following scale:

Lower Limit	Upper Limit	Grade
92	100	A+
79	91	A
70	78	A-
67	69	B+
63	66	B
60	62	B-
57	59	C+
53	56	C
50	52	C-
47	49	D+
43	46	D
40	42	D-
37	39	F+
30	36	F
0	29	F-

Arguably, legislators who score below 50 percent (a grade of D+ or lower) have voted to restrict freedom in more instances than they voted to expand it.

Letter grades are a tool for comparison of various legislators (i.e., Legislator X voted more consistently according to the principles of liberty than did Legislator Y), and are not absolute measures of quality. During the session covered in this report, the highest overall score of any legislator was 77 percent. Although that score corresponds to a grade of A- on the scale, the percentage score shows there is significant room for improvement.

In the other direction, a grade of F- is assigned to the lowest group of scores,

but the designation does not stand alone in representing poor voting records. Arguably, legislators who score below 50 percent (a grade of D+ or lower) have voted to restrict freedom in more instances than they voted to expand it. But again, it is more instructive to think of the scores and grades in a relative context.

As the grade scale indicates, the grade distribution is curved—the percentages are not equated with letter grades according to the normal grading convention (i.e., 90 to 100 percent equals an A, 80 to 90 percent equals a B, and so on). This is done in order to assign a fuller range of grades and facilitate comparison.

Limitations

The legislative process is both complicated and nuanced. With that in mind, the methodology employed in this report, and the resulting grades, use legislators' Third Read votes as proxies to measure legislative commitment to individual liberty, the rule of law, and free enterprise. Legislators, however, have much more responsibility in advancing or hindering those principles. Ideally, a measure of legislative performance would account for the balance of each legislator's work. Before a bill is even introduced, a legislator must determine which issues he will concern himself with, arrange for cosponsors and negotiate support, and perform and commission research on the issue, among other efforts. Once the bill is ready, a legislator often strategically aligns votes (considering which other bills are likely to be introduced, maneuvering the content and language of the bill to assuage opposition, authoring opinion pieces, giving speeches to civic groups, etc.) in order to advance it. The importance of leadership, vision, and dedication is a critical part of legislative service. It is highly subjective work, however, that cannot be objectively measured. For this reason, we are unable to include effort or leadership skills in the report. On a continuum of legislative action, the more one attempts to quantify these elements, the more one risks sacrificing the impartiality and objectivity of the assessment.

While the methodology employed may be accused of being obtuse by not accounting for subjective qualities such as “leadership ability,” it credibly deflects criticisms of “cherry-picking” or otherwise contriving end results.

Additionally, a major drawback to weighting bills equally, as this report does, is that it risks mischaracterizing the records of legislators who have inconsistent voting patterns. On the one hand, the method may award high grades to legislators who are “penny-wise and pound-foolish.” If a legislator votes “no” on nine small spending increases and “yes” on a single massive spending increase, that legislator would have a raw score of +8 on those 10 votes, equating to a final score of 90 percent. A second legislator with the exact opposite voting record would end up with a score of -8 (10 percent), even though he may have voted for less spending overall. This report seeks to avoid that potential numerical pitfall by including all relevant votes. In fact, previous report cards yielded scores (low and high) that many legislators claimed accurately represented their commitments as per the

criteria used in scoring.¹¹

So, while the methodology employed may be accused of being obtuse by not accounting for subjective qualities such as “leadership ability,” it credibly deflects criticisms of “cherry-picking” or otherwise contriving end results.¹² Certainly, considering characteristics such as a legislator’s constituent service or committee membership has merit, but doing so would require subjective judgments that would sacrifice this report card’s objective scoring system. At the end of the day, voting records provide the best data for objective analysis.

Format

The report card separates legislative votes into four categories: education, constitutional government, regulation, and tax and budget. Each section contains a brief description of the principles that should guide government involvement in that area and provides the guidelines used for scoring bills. Each category also contains examples of significant bills from that policy area, along with the final dispositions of those bills.¹³ A summary of scores in that category for both chambers is provided. The final section, “Total Score,” discusses overall trends and results.

Education

Arizona spends on average nearly \$8,500 per student.¹⁴ That figure is nearly double private-school tuition rates, and marks a tripling of spending per pupil in Arizona public schools since the 1960s.¹⁵ Yet, national test scores reveal that Arizona students are falling behind. Illiteracy rates among Arizona fourth-graders are alarmingly high: 67 percent of African-American students, 30 percent of white students, and 63 percent of Hispanic students.¹⁶ The additional dollars flowing into the education system are having little effect on achievement.

More promising than adding funding to the existing system is fostering an open education system where parents can choose the schools and curricula that are best for their children, and where schools have to compete to attract students. Research shows that children in competitive schools advance faster than their peers in noncompetitive schools.¹⁷

Educational freedom advances liberty through greater individual choice and greater use of the free enterprise system. Accordingly, bills that give parents more education choice and make existing public schools more accountable and competitive are scored a +1. Bills that thwart competitiveness and accountability are scored a -1.

More promising than adding funding to the existing system is fostering an open education system where parents can choose the schools and curricula that are best for their children, and where schools have to compete to attract students.

The average Senate education score is 38 percent, down from the previous average of 57 percent. Since 2003, the average Senate education score has fallen 25 percentage points.

In the House of Representatives, the average education score is 57 percent. That marks a six percentage point decrease since 2003, when the average was 63 percent.

The highest education scorers in both chambers were Reps. Judy Burges (88%), Doug Clark (81%), and Steve Yarbrough (81%).

- HB 2119: schools; open enrollment; OCR agreements (positive)

Currently, students in schools under federal desegregation orders may not transfer to charter schools if the transfer would violate agreements between the federal Office of Civil Rights (OCR) and the student's current public school. The stated goal of this policy is to maintain a government-defined balance of racial composition in the student body. In practice, the policy often traps students in underperforming schools.¹⁸

HB 2119 would have repealed this restriction, allowing students in these schools to transfer to other public schools or charter schools. This would have given students a way out of failing schools and created an incentive for underperforming schools to compete to retain and attract students.

HB 2119 passed 32-27 in the House, 16-14 in the Senate, but was vetoed by Governor Napolitano.

- HB 2714: teacher certification; proficiency exam reciprocity (positive)

Arizona public school teachers are required to pass a proficiency exam in order to receive teaching certificates. This legislation allows reciprocal certification of teachers who have passed proficiency exams in other states. Although modest, this bill marks a step toward a freer and more competitive teaching market. True reform, however, would require reducing or eliminating certification requirements while implementing teacher evaluations on a value-added basis and merit pay.

This legislation passed 58-0 in the House, 25-3 in the Senate, and was signed by the governor.

- SB 1164: school redistricting commission; unification (negative)

The proposal to consolidate small school districts into larger districts is based on the belief that consolidation will reduce administrative overhead and cost.

Research, however, demonstrates that consolidation does not produce significant cost savings, and in some cases actually increases administrative costs. Unifying districts often creates new layers of bureaucracy, increases class sizes, and lowers student achievement. More important, consolidation sacrifices local control of schools. Several states, including Oregon and California, are taking steps to divide large school districts.¹⁹

SB 1164 contains several provisions that encourage consolidation, including dissolving small districts of 350 students or fewer, consideration of contract buyout agreements with superintendents, and additional funding for districts that consolidate.

This legislation passed 27-1 in the Senate, 56-0 in the House, and was signed by the governor.

Table 3: Senate Scores: Education

Name	District	Score	Grade
Gould	3	70	A-
Gorman	6	61	B-
Harper	4	61	B-
Johnson	18	56	C
Gray (Chuck)	19	56	C
Verschoor	22	56	C
Burns	9	46	D
Flake	5	46	D
Huppenthal	20	46	D
Blendu	12	41	D-
Allen	8	37	F+
Tibshraeny	21	36	F
Gray (Linda)	10	35	F
Waring	7	34	F
Chevront	15	34	F
Rios	23	33	F
Leff	11	32	F
Miranda	13	32	F
Bee	30	31	F
O'Halleran	1	31	F
Soltero	29	30	F
Arzberger	25	30	F
Hale	2	27	F-
Pesquiera	26	27	F-
Landrum-Taylor	16	27	F-
McCune-Davis	14	27	F-
Garcia	27	27	F-
Burton-Cahill	17	27	F-
Aguirre	24	26	F-
Aboud	28	25	F-
Mean		38	F+
Median		33	F

Table 4: House of Representatives Scores: Education

Name	District	Score	Grade
Burges	4	88	A
Clark	6	81	A
Yarbrough	21	81	A
Crump	6	77	A-
Barnes	7	77	A-
Stump	9	77	A-
Adams	19	77	A-
Murphy	9	73	A-
Driggs	11	73	A-
Pearce	18	69	B+
Biggs	22	69	B+
Farnsworth	22	69	B+
Nichols	21	69	B+
Weiers (Jerry)	12	69	B+
Anderson	18	69	B+
McComish	20	69	B+
Weiers (James)	10	69	B+
Robson	20	69	B+
Boone	4	69	B+
Mason	1	65	B
Groe	3	62	B-
Kavanagh	8	62	B-
McLain	3	62	B-
Crandall	19	62	B-
Burns	25	62	B-
Nelson	12	58	C+
Barto	7	54	C
McClure	30	54	C
Paton	30	54	C
Reagan	8	54	C
Tobin	1	54	C
Campbell (Cloves)	16	54	C
Konopnicki	5	50	C-
Prezelski	29	50	C-
Sinema	15	50	C-
Hershberger	26	46	D
DeSimone	11	46	D
McGuire	23	46	D
Miranda	16	46	D

Table 4 (continued): House of Representatives Scores: Education

Name	District	Score	Grade
Rios	23	46	D
Pancrazi	24	46	D
Alvarez	25	46	D
Meza	14	46	D
Kirkpatrick	2	46	D
Schapira	17	46	D
Thrasher	10	46	D
Gallardo	13	46	D
Lopes	27	46	D
Campbell (Chad)	14	46	D
Farley	28	46	D
Lopez	29	42	D-
Tom	2	42	D-
Saradnik	26	42	D-
Garcia	13	42	D-
Ulmer	24	42	D-
Bradley	28	42	D-
Brown	5	42	D-
Lujan	15	42	D-
Ableser	17	38	F+
Cajero-Bedford	27	35	F
Mean		57	C+
Median		54	C

Constitutional Government

In free societies, the primary purpose of government is to protect the rights of individuals. The Arizona Constitution embodies this principle, declaring, “All political power is inherent in the people, and governments derive their just powers from the consent of the governed, and are established to protect and maintain individual rights.”

This principle of limited government is often forgotten as government extends itself further into individual and business decisions. City governments view themselves as drivers of economic growth, increasing tax burdens and violating property rights along the way.²⁰ In other cases, governments impose civil and criminal sanctions on individuals whose actions have not violated the rights of other individuals.²¹ When legislators set out to provide basic services, they should be careful to craft legislation respecting individual rights. Legislation that creates and extends government programs, commissions, and boards that lie outside the government’s constitutional duties erodes individual liberty. Legislators should seek to decentralize authority as much as possible, encouraging local control and the ability of people to govern themselves.²²

Accordingly, bills that uphold principles of individual liberty and limited government are scored a +1. Bills that increase the size and scope of government are scored a -1.

The average Senate constitutional government score is 50 percent, down from the previous average of 60 percent. The average constitutional government score peaked at 68 percent in the 2005 legislature.

In the House of Representatives, the average constitutional government score is 51 percent. That marks a six-point decrease from 2006 and a 12-point decline from the high of 63 reached in 2005.

The highest constitutional government scorers in both chambers were Sen. Ron Gould (84%) and Reps. Judy Burges (75%), Rick Murphy (75%), and Russell Pearce (75%).

- SB 1359: municipal utilities; tenant nonpayment (positive)

When residents fail to pay municipal utility bills, municipalities are authorized to file a lien on the property. In several cases, however, tenants have failed to pay utility bills, but property owners are subject to the city’s lien. Property owners are then held responsible for paying back bills, fees, and interest before utility service can be restored. This practice violates both notions of justice and property rights,

In free societies, the primary purpose of government is to protect the rights of individuals.

since it punishes property owners for the actions of others.

SB 1359 would have prohibited municipalities from requiring property owners to pay tenants' back fees before restoring service. The legislation passed 29-0 in the Senate but was held in the House.

- HB 2043: state fair board; sunset continuation (negative)

The Arizona State Fair Board is the custodian of the state fair grounds and the Memorial Coliseum, charged with leasing the venues for special events. The Board is an unnecessary government entity with an annual budget of \$16 million. Originally, the state fair was privately organized and financed. In 1891, the Salt River flooded the fairgrounds, and the government subsequently established the Board to help restore the fairgrounds. The Board has remained ever since.²³ HB 2043 continues the Board another 10 years.

This legislation passed 49-9 in the House, 24-3 in the Senate, and was signed by the governor.

- SB 1571: job training; extension; prohibitions (negative)

The Arizona Job Training Program provides grants to businesses to cover up to 75 percent of job training costs for their employees. The program's ostensible purpose is to support economic growth in emerging industries. The program, however, encourages government to play favorites among businesses and industries. The program has potential to violate the important principle in free societies that government should treat all businesses with neutrality and fairness. Moreover, the program is an example of government assuming a role that properly belongs to private businesses and organizations. This legislation continues the program until at least 2018.

The Senate approved SB 1571 by 28-1, and the House approved the measure 48-10. Governor Napolitano signed the bill into law.

Table 5: Senate Scores: Constitutional Government

Name	District	Score	Grade
Gould	3	84	A
Harper	4	69	B+
Gray (Chuck)	19	66	B
Verschuur	22	66	B
Burns	9	64	B
Blendu	12	63	B
Johnson	18	61	B-
Gorman	6	59	C+
Huppenthal	20	58	C+
Bee	30	56	C
Flake	5	53	C
Tibshraeny	21	53	C
Waring	7	53	C
Arzberger	25	53	C
Aguirre	24	53	C
Allen	8	52	C-
Gray (Linda)	10	50	C-
Leff	11	47	D+
O'Halleran	1	47	D+
Rios	23	44	D
Hale	2	42	D-
Aboud	28	42	D-
Chevront	15	38	F+
Soltero	29	38	F+
Pesquiera	26	36	F
Garcia	27	34	F
Miranda	13	31	F
McCune-Davis	14	31	F
Burton-Cahill	17	30	F
Landrum-Taylor	16	27	F-
Mean		50	C-
Median		52	C-

Table 6: House of Representatives Scores: Constitutional Government

Name	District	Score	Grade
Burges	4	75	A-
Pearce	18	75	A-
Murphy	9	75	A-
Clark	6	69	B+
Weiers (Jerry)	12	69	B+
Barnes	7	69	B+
Biggs	22	67	B+
Farnsworth	22	67	B+
Groe	3	66	B
Kavanagh	8	66	B
Stump	9	66	B
Adams	19	63	B
Barto	7	63	B
McComish	20	63	B
Weiers (James)	10	63	B
McLain	3	63	B
Crandall	19	63	B
Anderson	18	61	B-
Crump	6	59	C+
Tobin	1	58	C+
Nichols	21	55	C
Nelson	12	55	C
Driggs	11	53	C
McClure	30	52	C-
Robson	20	52	C-
Boone	4	52	C-
Mason	1	50	C-
Yarbrough	21	50	C-
Reagan	8	50	C-
Konopnicki	5	50	C-
McGuire	23	50	C-
Alvarez	25	50	C-
Paton	30	48	D+
Hershberger	26	48	D+
Burns	25	48	D+
Tom	2	45	D
Ulmer	24	45	D
Pancrazi	24	44	D
Thrasher	10	44	D

Table 6 (continued): House of Representatives Scores: Constitutional Government

Name	District	Score	Grade
Saradnik	26	42	D-
Brown	5	42	D-
Cajero-Bedford	27	42	D-
DeSimone	11	41	D-
Campbell (Cloves)	16	41	D-
Prezelski	29	41	D-
Rios	23	41	D-
Sinema	15	41	D-
Kirkpatrick	2	41	D-
Schapira	17	41	D-
Ableser	17	41	D-
Garcia	13	39	F+
Meza	14	39	F+
Lopez	29	38	F+
Miranda	16	38	F+
Bradley	28	38	F+
Lopes	27	38	F+
Campbell (Chad)	14	38	F+
Lujan	15	34	F
Gallardo	13	34	F
Farley	28	34	F
Mean		51	C-
Median		50	C-

Regulation

Policymakers implement regulations ostensibly to reduce various risks for consumers, employees, and citizens. Much regulation, however, is counterproductive, resulting in higher compliance costs for businesses, fewer jobs, and fewer choices for consumers. In general, regulation stunts economic growth and exposes consumers to unforeseen risks.²⁴ While the principles of limited government allow authorities to mitigate genuine public-good problems and punish fraud,²⁵ most regulation addresses concerns that the free market, with individuals and businesses exchanging freely, could solve more efficiently and effectively.²⁶ The impetus behind some regulatory policy is a phenomenon that economists call “regulatory capture,” where certain industry interests use government power to prevent competition.²⁷ Moreover, most industries can, and many do, self-regulate, including kosher food certifiers and companies involved with product safety testing and certification (e.g., Underwriters Laboratory).

While the principles of limited government allow authorities to mitigate genuine public-good problems and punish fraud, most regulation addresses concerns that the free market, with individuals and businesses exchanging freely, could solve more efficiently and effectively.

Legislation that adds regulation to private business received a -1. Legislation that removes regulation and fosters a free economy received a +1.

The highest-scoring legislators in the regulation category are Sens. Ron Gould (82%), Pamela Gorman (79%), and Jack Harper (75%).

- HB 2320: loan originator licensing (negative)

The current crisis in subprime mortgages is leading lawmakers to propose and enact new restrictions on the mortgage industry.²⁸ HB 2320 is one such measure. Arizona already requires mortgage bankers and mortgage brokers to be licensed. This measure would have extended the requirement to all loan originators (the person who typically acts as the contact between lender and borrower), with the presumption that licensing restrictions would help keep bad loans to a minimum. Loan originators, however, already fall under mortgage broker licenses for disciplinary purposes. Further, the legislation ignores the phenomenon that licensing requirements typically accomplish little more than protecting those already in business from new competition. Instead of protecting consumers, licensing reduces market competition and raises costs to the consumer.²⁹ Also, licensing mandates undermine principles of personal responsibility.

HB 2320 passed the House 47-10 but was held in the Senate.

- HB 2439: dispensers; audiologists; speech-language pathologists (negative)

In Arizona, audiologists must be licensed, hold a master’s degree, pass a national examination, and complete continuing education classes. HB 2439 increases the licensing burden on audiologists and grants the director of the Department of

Health Services additional oversight and regulatory authority. The provisions of HB 2439 range from prohibiting audiologists from using “Dr.” on signs and business cards to requiring new licensees to have a doctorate degree in audiology. Presumably for the purpose of protecting patients, this legislation creates many of the same problems associated with HB 2320—reduced number of service providers, higher compliance costs, and increased costs for the consumer.

The House approved the measure 53-4, the Senate passed it 16-11, and the governor signed it into law.

- HB 2757: health insurance; certain mandates excluded (positive)

Arizona currently requires most health insurance plans to cover a number of medical conditions, treatments, and providers. These health insurance mandates make insurance more expensive, leading many to go without even basic health coverage.³⁰ HB 2757 would have allowed small business health plans to be exempt from many of these mandates, including maternity benefits for adopted children, contraceptives, and chiropractic services. Exempting plans from these mandates would make basic health coverage available and more affordable to the self-employed and those working for small businesses.

The measure passed the House 32-25 but was held in the Senate.

Table 7: Senate Scores: Regulation

Name	District	Score	Grade
Gould	3	82	A
Gorman	6	79	A
Harper	4	75	A-
Johnson	18	71	A-
Burns	9	71	A-
Flake	5	68	B+
Chevront	15	68	B+
Verschoor	22	64	B
Huppenthal	20	64	B
Bee	30	64	B
Gray (Linda)	10	64	B
Hale	2	64	B
Gray (Chuck)	19	61	B-
Blendu	12	61	B-
Allen	8	61	B-
Leff	11	57	C+
Soltero	29	57	C+
Miranda	13	54	C
Tibshraeny	21	50	C-
Waring	7	50	C-
O'Halleran	1	50	C-
Arzberger	25	50	C-
Pesquiera	26	46	D
Landrum-Taylor	16	46	D
Aguirre	24	43	D
Aboud	28	43	D
Garcia	27	43	D
Rios	23	39	F+
McCune-Davis	14	36	F
Burton-Cahill	17	32	F
Mean		57	C+
Median		57	C+

Table 8: House of Representatives Scores: Regulation

Name	District	Score	Grade
Farnsworth	22	70	A-
Biggs	22	70	A-
Burges	4	67	B+
Pearce	18	67	B+
Clark	6	56	C
Nichols	21	54	C
Murphy	9	51	C-
Crump	6	49	D+
Adams	19	49	D+
Groe	3	49	D+
Weiers (Jerry)	12	49	D+
McClure	30	46	D
Barnes	7	45	D
Kavanagh	8	45	D
Barto	7	45	D
Anderson	18	43	D
McComish	20	43	D
Robson	20	43	D
Stump	9	43	D
Paton	30	43	D
Mason	1	41	D-
Weiers (James)	10	41	D-
McLain	3	41	D-
Yarbrough	21	39	F+
Hershberger	26	39	F+
Nelson	12	38	F+
Konopnicki	5	38	F+
Driggs	11	38	F+
Reagan	8	38	F+
Campbell (Cloves)	16	38	F+
Miranda	16	38	F+
DeSimone	11	36	F
Tom	2	36	F
Saradnik	26	36	F
Crandall	19	35	F
Boone	4	35	F
Rios	23	35	F
Burns	25	33	F
Ulmer	24	33	F

Table 8 (continued): House of Representatives Scores: Regulation

Name	District	Score	Grade
Lopez	29	33	F
Prezelski	29	33	F
McGuire	23	32	F
Garcia	13	31	F
Pancrazi	24	31	F
Alvarez	25	31	F
Sinema	15	31	F
Meza	14	31	F
Lujan	15	31	F
Tobin	1	30	F
Bradley	28	30	F
Brown	5	30	F
Gallardo	13	30	F
Cajero-Bedford	27	29	F-
Kirkpatrick	2	29	F-
Schapira	17	29	F-
Lopes	27	28	F-
Ableser	17	28	F-
Farley	28	28	F-
Thrasher	10	26	F-
Campbell (Chad)	14	26	F-
Mean		39	F+
Median		38	F+

Tax and Budget

A truly limited government restrains spending and keeps taxes as low as possible to protect individual liberty. Such a policy of low taxes on individuals and businesses lays the foundation for a regionally and nationally competitive economy. Numerous studies have demonstrated that states with low taxes enjoy economic growth that exceeds growth in states with high taxes.³¹ When legislators authorize the state to provide another service or expand an existing service, they take resources from the private economy, reducing the resources available for new businesses and investment.³² This is also true in good economic times, when budget surpluses create the illusion that government is not diverting resources from the private economy.³³ To restrain spending, legislators must more responsibly define which services the state must provide.³⁴ The state should not provide a given service merely because it can. A truly limited government only provides services that the private sector cannot.³⁵

Many current government functions are inconsistent with the principles of limited government outlined in the Arizona Constitution and could be provided more efficiently through privatization. Even an economy that has low taxes and little regulation may not be a true free-market economy. Frequently, legislators who claim to be “pro-business” are in fact guilty of creating a kind of crony capitalism, where government gives special tax exemptions and payouts to favored businesses and industries. Such arrangements generally advantage existing market players and limit competition from smaller players and potential market entrants.³⁷

Because the benefits of government programs are generally concentrated and the costs of government are diffused, the resulting dynamic of special-interest politics makes it difficult for politicians to resist new spending initiatives and remove existing spending.³⁸ An institutional mechanism that automatically limits the growth of government is one way to resist that dynamic and to promote fiscal restraint.³⁹

Bills that increased government spending, created new programs, or otherwise increased taxes were scored a -1. Bills that reduced the tax burden and restrained government spending were scored a +1.

- HB 2515: municipal sales tax incentives; prohibition (positive)

Arizona municipalities are competing in an increasingly high-stakes bidding game to offer the biggest and best incentive packages to lure large developers and retailers. Among recent high-profile municipal deals is Phoenix’s \$100 million subsidy for Chicago developer Thomas Klutznik to build an upscale shopping center in north Phoenix.⁴⁰ These development deals force taxpayers to subsidize

To restrain spending, legislators must more responsibly define which services the state must provide. The state should not provide a given service merely because it can. A truly limited government only provides services that the private sector cannot.

private businesses. HB 2515 prohibits cities from offering incentive packages to businesses, helping to protect taxpayers and level the business playing field. Cities who offer incentive packages to specific businesses may have their state shared revenues withheld.

The House passed the bill 53-4, the Senate approved it 18-8, and the governor signed it into law.

- HB 2084: income tax credit; other states (positive)

HB 2084 reduces potential double taxation for Arizonans who earned income in other states. A few states, including New York, California, and Virginia, consider individuals to be their residents if they have worked there for at least six months. These states then tax all of that individual's income, including income earned in Arizona, a spouse's income, and any dividends, interest, and capital gains. HB 2084 establishes a tax credit that is applied to an individual's income earned out-of-state. The tax credit helps offset the double-taxation of Arizona income.

HB 2084 passed the House 58-0, passed the Senate 27-0, and was signed by the governor.

- HB 2322: tax credit accountability; motion picture (negative)

The Arizona motion picture tax credit is a clear government attempt to catalyze or attract a politically fashionable industry through the use of the tax code. This kind of industry-preference policy can be viewed both as industrial planning that costs the state money and as another manifestation of the location-specific tax incentives used by municipalities to lure high-profile retailers. The tax credit favors a small number of fortunate recipients at the expense of every other, less politically appealing taxpaying business.⁴¹ HB 2322 reduces the minimum expenditure productions must make to qualify for the tax credit and expands the tax credit to producers of advertisements and music videos.

HB 2322 passed 52-3 in the House, 21-8 in the Senate, and was signed by the governor.

Table 9: Senate Scores: Tax and Budget

Name	District	Score	Grade
Gould	3	81	A
Gorman	6	80	A
Johnson	18	66	B
Gray (Chuck)	19	65	B
Harper	4	62	B-
Verschoor	22	57	C+
Flake	5	54	C
Blendu	12	53	C
Chevront	15	53	C
Burns	9	49	D+
Bee	30	49	D+
Waring	7	49	D+
Huppenthal	20	47	D+
Gray (Linda)	10	47	D+
Leff	11	47	D+
Tibshraeny	21	46	D
Allen	8	45	D
Hale	2	45	D
O'Halleran	1	43	D
Aguirre	24	42	D-
Rios	23	39	F+
Arzberger	25	38	F+
Garcia	27	35	F
Burton-Cahill	17	35	F
Pesquiera	26	34	F
Miranda	13	32	F
Aboud	28	32	F
Soltero	29	31	F
Landrum-Taylor	16	31	F
McCune-Davis	14	28	F-
Mean		47	D+
Median		46	D

Table 10: House of Representatives Scores: Tax and Budget

Name	District	Score	Grade
Pearce	18	60	B-
Biggs	22	60	B-
Burges	4	58	C+
Farnsworth	22	58	C+
Murphy	9	54	C
Nichols	21	54	C
Groe	3	53	C
Kavanagh	8	53	C
Stump	9	50	C-
Anderson	18	50	C-
Clark	6	47	D+
Crump	6	47	D+
Weiers (Jerry)	12	45	D
Barnes	7	45	D
Barto	7	45	D
Mason	1	44	D
Crandall	19	44	D
McComish	20	42	D-
Weiers (James)	10	42	D-
Driggs	11	42	D-
Nelson	12	42	D-
Paton	30	41	D-
Adams	19	40	D-
McLain	3	40	D-
McClure	30	40	D-
Reagan	8	40	D-
Boone	4	38	F+
Lopez	29	38	F+
Robson	20	37	F+
Burns	25	37	F+
DeSimone	11	36	F
Yarbrough	21	35	F
Tobin	1	35	F
Garcia	13	35	F
Bradley	28	35	F
Hershberger	26	33	F
Konopnicki	5	32	F
Prezelski	29	31	F
Cajero-Bedford	27	29	F-

Table 10 (continued): House of Representatives Scores: Tax and Budget

Name	District	Score	Grade
Pancrazi	24	28	F-
Sinema	15	28	F-
Brown	5	28	F-
Meza	14	28	F-
McGuire	23	27	F-
Saradnik	26	27	F-
Kirkpatrick	2	27	F-
Lujan	15	27	F-
Tom	2	26	F-
Rios	23	26	F-
Ulmer	24	24	F-
Thrasher	10	24	F-
Gallardo	13	24	F-
Campbell (Chad)	14	24	F-
Miranda	16	23	F-
Schapira	17	23	F-
Campbell (Cloves)	16	22	F-
Alvarez	25	22	F-
Lopes	27	22	F-
Ableser	17	22	F-
Farley	28	22	F-
Mean		37	F+
Median		36	F

Total Scores

On average, the Senate scored slightly higher than the House of Representatives (45 percent for a D in the Senate and 43 percent for a D in the House). The average Senate score fell six points from the 2006 average, and the average House score fell five points from the 2006 average. These average scores are the lowest recorded in the five years of the *Legislative Report Card*. This decline continues a downward trend since 2005, indicating a notable shift toward more government. In the House and Senate, the average scores just below 50 percent imply that, on the whole, both chambers cast more votes against liberty than in favor of it.

Despite the low average scores, a number of legislators earned grades in the A range. The highest overall scorer in either chamber was Senator Ron Gould (R-3), with 77 percent, an A-. That score ties the top 2006 score, which also went to Senator Gould. The highest category score in either chamber went to Rep. Judy Burges (R-4), who earned an 88 percent in the education category; the second-highest overall score went to Rep. Burges with 68 percent, a B+.

Average scores are the lowest recorded in the five years of the Legislative Report Card. This decline continues a downward trend since 2005, indicating a notable shift toward more government.

In addition to lower total score averages, category score averages also decreased. In the Senate, the average education score fell 19 points, constitutional government fell 10, and tax and budget fell 5. The average regulation score, however, increased 16 points, perhaps indicating some moderation in the trend toward increasing government regulations. This improvement puts the average senate regulation score more in line with other category scores. In 2006, the regulation average was 11 points lower than the next-lowest category average. In 2007, the average regulation score is the highest category score by seven points.

In the House, average education scores increased three points, constitutional government fell six, and tax and budget fell eight. Regulation scores remained the same as in 2006, at 39 percent. With just two exceptions, regulation scores have been the lowest category averages for both chambers since the Goldwater Institute began tabulating scores in 2003.⁴²

For the fifth straight year, District 22 had top scores, with an average score of 64 percent.⁴³ District 18 had the second-highest average score, at 60 percent. All district averages declined from 2006, with the largest declines in Districts 10 and 11, which each fell 17 points.

This year, Senate Republicans scored an overall average of 18 points higher than Senate Democrats. In 2006, Senate Republicans scored an overall average of 14 percentage points higher than Senate Democrats (down from 18 points the previous year). The average overall advantage for House Republicans over House Democrats was 16 percentage points (down from 24).

Table 11: Scores and Grades by District

District	Name	Party	Education	Const.		Tax & Budget	Overall	
				Gov't.	Regulation		Percent	Grade
1	Mason	R	65	50	41	44	46	D
1	Tobin	R	54	58	30	35	39	F+
1	O'Halleran	R	50	47	31	43	39	F+
							41	D-
2	Tom	D	42	45	36	26	36	F
2	Kirkpatrick	D	46	41	29	27	32	F
2	Hale	D	64	42	27	45	38	F+
							35	F
3	Groe	R	62	66	49	53	54	C
3	McLain	R	62	63	41	40	47	D+
3	Gould	R	82	84	70	81	77	A-
							59	C+
4	Burges	R	88	75	67	58	68	B+
4	Boone	R	69	52	35	38	42	D-
4	Harper	R	75	69	61	62	64	B
							58	C+
5	Konopnicki	R	50	50	38	32	40	D-
5	Brown	D	42	42	30	28	33	F
5	Flake	R	68	53	46	54	52	C-
							42	D-
6	Clark	R	81	69	56	47	58	C+
6	Crump	R	77	59	49	47	53	C
6	Gorman	R	79	59	61	80	67	B+
							59	C+
7	Barnes	R	77	69	45	45	53	C
7	Barto	R	54	63	45	45	49	D+
7	Waring	R	50	53	34	49	43	D
							48	D+
8	Kavanagh	R	62	66	45	53	53	C
8	Reagan	R	54	50	38	40	42	D-
8	Allen	R	61	52	37	45	44	D
							46	D

Table 11 (continued): Scores and Grades by District

District	Name	Party	Education	Const.		Tax & Budget	Overall	
				Gov't.	Regulation		Percent	Grade
9	Murphy	R	73	75	51	54	58	C+
9	Stump	R	77	66	43	50	52	C-
9	Burns	R	71	64	46	49	53	C-
							55	C
10	Weiers (James)	R	69	63	41	42	48	D+
10	Thrasher	D	46	44	26	24	31	F
10	Gray (Linda)	R	64	50	35	47	44	D
							41	D-
11	Driggs	R	73	53	38	42	45	D
11	DeSimone	D	46	41	36	36	38	F+
11	Leff	R	57	47	32	47	41	D-
							41	D-
12	Weiers (Jerry)	R	69	69	49	45	54	C
12	Nelson	R	58	55	38	42	44	D
12	Blendu	R	61	63	41	53	50	C-
							49	D+
13	Garcia	D	42	39	31	35	35	F
13	Gallardo	D	46	34	30	24	31	F
13	Miranda	D	54	31	32	32	34	F
							33	F
14	Meza	D	46	39	31	28	33	F
14	Campbell (Chad)	D	46	38	26	24	30	F
14	McCune-Davis	D	36	31	27	28	29	F-
							31	F
15	Sinema	D	50	41	31	28	34	F
15	Lujan	D	42	34	31	27	32	F
15	Chevront	D	68	38	34	53	42	D-
							36	F
16	Campbell (Cloves)	D	54	41	38	22	36	F
16	Miranda	D	46	38	38	23	35	F
16	Landrum-Taylor	D	46	27	27	31	30	F
							33	F

Table 11 (continued): Scores and Grades by District

District	Name	Party	Education	Const. Gov't.	Regulation	Tax & Budget	Overall Percent	Grade
17	Schapira	D	46	41	29	23	31	F
17	Ableser	D	38	41	28	22	30	F
17	Burton-Cahill	D	32	30	27	35	30	F
							30	F
18	Pearce	R	69	75	67	60	67	B+
18	Anderson	R	69	61	43	50	51	C-
18	Johnson	R	71	61	56	66	61	B-
							60	B-
19	Adams	R	77	63	49	40	52	C-
19	Crandall	R	62	63	35	44	45	D
19	Gray (Chuck)	R	61	66	56	65	61	B-
							53	C
20	McComish	R	69	63	43	42	49	D+
20	Robson	R	69	52	43	37	46	D
20	Huppenthal	R	64	58	46	47	50	C-
							48	D+
21	Nichols	R	69	55	54	54	55	C
21	Yarbrough	R	81	50	39	35	44	D
21	Tibshraeny	R	50	53	36	46	43	D
							47	D+
22	Biggs	R	69	67	70	60	67	B+
22	Farnsworth	R	69	67	70	58	66	B
22	Verschoor	R	64	66	56	57	59	C+
							64	B
23	McGuire	D	46	50	32	27	36	F
23	Rios	D	46	41	35	26	35	F
23	Rios	D	39	44	33	39	37	F+
							36	F
24	Pancrazi	D	46	44	31	28	34	F
24	Ulmer	D	42	45	33	24	34	F
24	Aguirre	D	43	53	26	42	37	F+
							35	F

Table 11 (continued): Scores and Grades by District

District	Name	Party	Education	Const. Gov't.	Regulation	Tax & Budget	Overall Percent	Grade
25	Burns	R	62	48	33	37	40	D-
25	Alvarez	D	46	50	31	22	34	F
25	Arzberger	D	50	53	30	38	38	F+
							37	F+
26	Hershberger	R	46	48	39	33	40	D-
26	Saradnik	D	42	42	36	27	35	F
26	Pesquiera	D	46	36	27	34	32	F
							36	F
27	Cajero-Bedford	D	35	42	29	29	32	F
27	Lopes	D	46	38	28	22	30	F
27	Garcia	D	43	34	27	35	32	F
							31	F
28	Bradley	D	42	38	30	35	34	F
28	Farley	D	46	34	28	22	29	F-
28	Aboud	D	43	42	25	32	32	F
							32	F
29	Lopez	D	42	38	33	38	36	F
29	Prezelski	D	50	41	33	31	35	F
29	Soltero	D	57	38	30	31	34	F
							35	F
30	McClure	R	54	52	46	40	46	D
30	Paton	R	54	48	43	41	44	D
30	Bee	R	64	56	31	49	44	D
							45	D

Table 12: Scores and Grades by Party

	Number	Education	Const. Gov't.	Regulation	Tax & Budget	Overall Percent	Grade
SENATE							
Democrat	13	48	38	29	37	34	F
Republican	17	64	59	46	55	52	C-
Average		56	49	38	46	43	D
HOUSE							
Democrat	27	47	42	32	28	34	F
Republican	33	65	57	41	45	50	C-
Average		56	50	37	37	42	D-

Conclusion

Free societies depend on limited governments that are established to protect individual liberty. Government threatens liberty, however, when lawmakers take rights, wealth, and opportunities away from individuals to benefit special interests and favored groups. As the governmental body explicitly charged with lawmaking authority, the legislature is often the greatest offender.

However, because the legislature is the branch that is most accountable to the governed by virtue of the citizens' ability to vote legislators into and out of office, the legislature has the most potential to serve the interests of the governed. It therefore behooves voters to keep a careful watch on legislative activities.

This report quantitatively analyzes how well Arizona's Forty-eighth Legislature respected the principles of free markets, limited government, rule of law, and individual rights embodied in the Arizona Constitution. Using a 50-percent benchmark to determine whether the net sum of votes advanced or hindered liberty, it is evident that during this legislative session both the House of Representatives and the Senate voted to curtail and limit freedom more often than they voted to protect and expand it.

This year, the legislature increased ongoing General Fund spending by 2.3 percent, putting Arizona into a projected budget shortfall of nearly \$500 million;⁴⁴ failed to pass a comprehensive school-choice reform bill; did not pass an institutional mechanism to limit General Fund growth; and added dozens of well intentioned but detrimental commissions and regulations.

But these observations risk mischaracterizing the entire legislature. A number of legislators acted contrary to the natural tide of an expansive public sector and cast their votes in favor of liberty. They repealed onerous regulations and offered some income tax relief.

In the first year of this report card (2003), average scores for both chambers were "within earshot of the neutral mark (50 percent)."⁴⁵ In 2004, both chambers scored above 50 percent, and in 2005, average scores were solidly above the 50-percent mark.⁴⁶ Unfortunately, in 2006, scores slipped back to 2003 and 2004 levels. In 2007, scores fell below 2003 levels. While the Senate has consistently scored above the House, the spread has never been more than 3 percent. Average 2007 scores in both chambers demonstrate a continuing trend toward government expansion instead of a renewed commitment to individual liberty.

Because the legislature is the branch that is most accountable to the governed by virtue of the citizens' ability to vote legislators into and out of office, the legislature has the most potential to serve the interests of the governed. It therefore behooves voters to keep a careful watch on legislative activities.

APPENDIX A

Included Votes, House of Representatives

EDUCATION

HB 2041*	charter schools; fingerprinting; civil penalty
HB 2119	schools; open enrollment; OCR agreements
HB 2241	school facilities; renovation report
HB 2300*	community colleges; bonding; technical correction
HB 2302	colleges; state aid; technical correction
HB 2305*	schools budgets; miscalculations; impact aid
HB 2376*	schools; personalized learning plans
HB 2714	teacher certification; proficiency exam reciprocity
SB 1018	school districts; tuition agreements
SB 1067*	unorganized territories; joining school districts
SB 1069	postsecondary education grants; implementation
SB 1164*	school redistricting commission; unification
SB 1180	no child left behind; option
SB 1224	teacher and classroom level data
SB 1522	schools; test scores; academic gains

CONSTITUTIONAL GOVERNMENT

HB 2043*	state fair board; sunset continuation
HB 2044*	outdoor recreation commission; sunset continuation
HB 2076*	building permits; accidental potential zones
HB 2208*	open meetings; minutes; recordings
HB 2226	traffic tickets; collections; civil penalties
HB 2250*	domestic relations; child support; committees
HB 2457	firearms; peace officers
HB 2458	emergency; confiscation of firearms; prohibition
HB 2469	concealed weapons; petty offense
HB 2589*	criminal trespass; day laborers
HB 2638*	local energy plans
HB 2722	homeowners' associations; condominiums; judgments; fees
HB 2753*	vehicle impoundment and immobilization
HCM 2002*	community development block grant; funding
HCM 2013	railroad rights-of-way
HCR 2039*	state trust lands; public use
HCR 2044*	health care decisions week
SB 1014	unauthorized use; soldier's name; picture
SB 1032	burden of proof; emergency treatment
SB 1032	burden of proof; emergency treatment

SB 1061*	automobile theft authority; continuation
SB 1106	liquefied petroleum gas; limited liability
SB 1166	NOW: applicability; self-defense
SB 1166	NOW: applicability; self-defense
SB 1250	concealed weapons permit; renewal
SB 1258	emergency; confiscation of weapons; prohibition
SB 1301	misconduct involving weapons; exception
SB 1302	self-defense; home protection; applicability
SB 1433*	Arizona centennial 2012; commission responsibilities
SB 1547*	organized retail theft task force
SB 1571*	job training; extension; prohibitions
SB 1629	misconduct involving weapons; classification

REGULATION

HB 2050	corporate dissolution; cancellation; reinstatement
HB 2069	cable television; licensing
HB 2110*	real estate education
HB 2115*	professions; disciplinary action; continuing education
HB 2134*	small business; uniform health questionnaire
HB 2136	pharmacy board; regulation; exempted acts
HB 2178*	commercial vehicle; license plate attachment
HB 2189*	insurance; actuarial opinion; memorandum requirements
HB 2195*	workers' compensation; death benefits
HB 2198	bank lending limits
HB 2200*	amusement ride safety; administration
HB 2230*	recreational vehicle parks; study committee
HB 2252	state plumbing code
HB 2254*	homeowners' associations; telecommunications vehicles
HB 2255*	pharmacies; quality assurance
HB 2294	captive insurer amendments
HB 2312	state air quality rules; hearing
HB 2314*	scrap metal dealers; records
HB 2316	vehicle equipment; splash guards
HB 2319	energy code advisory commission; repeal
HB 2320*	loan originator licensing
HB 2360*	dental board; licensure by credential
HB 2391	spirituous liquor; omnibus
HB 2439*	dispensers; audiologists; speech-language pathologists
HB 2443*	user fee; off-highway vehicles
HB 2454	rural general hospital; intensive care
HB 2478	credit unions; loans; prepayment penalties
HB 2487	agricultural management practices committee; continuation

HB 2503* homeowners' associations; cautionary signs
HB 2515* hearing aid dispensers; continuing education
HB 2517* osteopathic board; continuation
HB 2518* respiratory care board; continuation
HB 2587* in-home care providers study committee
HB 2593* homeowners' associations; solar panels
HB 2595* amateur radio; operators; structures; accommodation
HB 2607* contracts; construction; architect-engineer; proportional liability
HB 2608* dentistry; disciplinary action
HB 2622 escort vehicles; technical correction
HB 2694* racing; pari-mutuel wagering
HB 2757 health insurance; certain mandates excluded
SB 1062* homeowners' associations: for sale signs
SB 1073* deferred annuities; cash surrender; payment
SB 1100 registered nurse practitioners; authority
SB 1112* toxic fire response
SB 1127* workers' compensation; infectious disease; exposure
SB 1155 self-service storage agent license
SB 1203* variable group contracts
SB 1204 group disability insurance; eligible group
SB 1227* domestic violence; lease termination
SB 1251* deadly weapons; storage
SB 1254* homeowners' association; commercial signs
SB 1291* state board of appraisal
SB 1291* state board of appraisal
SB 1292* timely medical payments; workers' compensation
SB 1315* nursing care administrators; fees
SB 1315* nursing care administrators; fees
SB 1316* nursing homes; fingerprinting
SB 1323* antifreeze; aversive or bittering agent
SB 1330* homestead exemption; sign display; solar
SB 1348* telecoil hearing aids; consumer information
SB 1349* department of real estate
SB 1352* well drillers; continuing education
SB 1428 national animal identification system; nonparticipation
SB 1446* deferred presentment transactions; verification
SB 1483* amusement rides; safety
SB 1529 optometry; use of pharmaceutical agents
SB 1531* vehicle emissions inspection; sunset extension
SB 1552* air quality programs
SB 1570* critical water area study committee
SB 1575* water adequacy amendments

TAX AND BUDGET

HB 2051*	motorcycle safety fund
HB 2084	income tax credit; other states
HB 2102*	county officers; technical correction
HB 2145	ASRS; long-term disability amendments
HB 2204*	appropriation; character education office
HB 2290*	JTED campuses; bonds
HB 2322*	motion picture tax credit; accountability
HB 2367*	ADOT; bid requirements; annual adjustment
HB 2407*	centennial; administrative costs; appropriation
HB 2434	residential property tax; homesite area
HB 2476	government property tax exemption; retroactivity
HB 2516	optometrists; prescriptions; antihistamines
HB 2562*	STAN account; interest payments
HB 2570*	railroad right-of-way acquisition
HB 2698*	sanitary districts; public facilities
HB 2708	property tax; electrical generation facilities
HB 2719*	border regional port authority
HB 2733*	escrow interest on trust accounts
HCM 2006*	Arizona Centennial
HCR 2008*	school district expenditures; authorization
SB 1036	tax liabilities; suspension
SB 1037*	2007 tax corrections act
SB 1083*	waste tire disposal
SB 1184*	AHCCCS; trusts
SB 1320	sales tax exemption; commercial photography
SB 1351*	bond issues; health facilities authority
SB 1353*	major events fund
SB 1544	municipal planning; fee disclosure
SB 1544	municipal planning; fee disclosure
SB 1546*	condominium recovery fund
SB 1553	county assessors; procedures
SB 1554*	board of equalization; hearing officers
SB 1591	performance audits; light rail
SB 1605*	NOW: DPS; injuries; industrial leave
SB 1607*	state forester
SCM 1001	repeal: certain federal withholding tax

APPENDIX B

Included Votes, Senate

EDUCATION

HB 2041*	charter schools; fingerprinting; civil penalty
HB 2119	schools; open enrollment; OCR agreements
HB 2241	school facilities; renovation report
HB 2241	renovation; school facilities
HB 2300*	community colleges; bonding; technical correction
HB 2302	colleges; state aid; technical correction
HB 2305*	schools budgets; miscalculations; impact aid
HB 2305*	school districts; miscalculations; receivership
HB 2376*	schools; personalized learning plans
HB 2612*	school districts; overexpenditures; receivership
HB 2714	teacher certification; proficiency exam reciprocity
SB 1018	school districts; tuition agreements
SB 1067*	unorganized territories; joining school districts
SB 1069	postsecondary education grants; implementation
SB 1164*	school redistricting commission; unification
SB 1180	no child left behind; option
SB 1180	no child left behind; option
SB 1224	teacher and classroom level data
SB 1522	schools; test scores; academic gains

CONSTITUTIONAL GOVERNMENT

HB 2043*	state fair board; sunset continuation
HB 2044*	outdoor recreation commission; sunset continuation
HB 2208*	open meetings; minutes; recordings
HB 2226	traffic tickets; collections; civil penalties
HB 2226	traffic tickets; collections; civil penalties
HB 2250*	domestic relations; child support; committees
HB 2457	firearms; peace officers
HB 2469	concealed weapons; petty offense
HB 2589*	criminal trespass; day laborers
HB 2638*	local energy plans
HB 2753*	vehicle impoundment and immobilization
HB 2753*	vehicle impoundment and immobilization
SB 1014	unauthorized use; soldier's name; picture
SB 1032	burden of proof; emergency treatment
SB 1061*	automobile theft authority; continuation
SB 1106	liquefied petroleum gas; limited liability

SB 1188	clean elections; publicly funded elections
SB 1250	concealed weapons permit; renewal
SB 1258	emergency; confiscation of weapons; prohibition
SB 1301	misconduct involving weapons; exception
SB 1302	self-defense; home protection; applicability
SB 1326*	statute of limitations; DNA evidence
SB 1359	municipal utilities; tenant nonpayment
SB 1433*	Arizona centennial 2012; commission responsibilities
SB 1435	state lands; mineral leases
SB 1435	state lands; mineral leases
SB 1433	Arizona centennial 2012; commission responsibilities
SB 1435	state lands; mineral leases
SB 1514*	business development program; disabled businesses
SB 1544	municipal planning; fee disclosure
SB 1547*	organized retail theft task force
SB 1571*	job training; extension; prohibitions
SB 1629	misconduct involving weapons; classification
SB 1636	stolen vehicles; license plate images

REGULATION

HB 2001	defensive driving schools
HB 2050	corporate dissolution; cancellation; reinstatement
HB 2069	cable television; licensing
HB 2110	real estate education
HB 2115*	professions; disciplinary action; continuing education
HB 2134*	small business; uniform health questionnaire
HB 2136*	pharmacy board; regulation; exempted acts
HB 2136*	controlled substances; monitoring program
HB 2189*	insurance; actuarial opinion; memorandum requirements
HB 2195*	workers' compensation; death benefits
HB 2198	bank lending limits
HB 2200*	contractors, requirements; construction contracts
HB 2230*	recreational vehicle parks; study committee
HB 2245	minimum wage; employers; liability
HB 2252	state plumbing code
HB 2254*	homeowners' associations; telecommunications vehicles
HB 2255*	pharmacies; quality assurance
HB 2294	captive insurer amendments
HB 2314*	scrap metal dealers; records
HB 2316	vehicle equipment; splash guards
HB 2319	energy code advisory commission; repeal
HB 2360*	dental board; licensure by credential

HB 2391 spirituous liquor; omnibus
HB 2439* dispensers; audiologists; speech-language pathologists
HB 2443* user fee; off-highway vehicles
HB 2443* user fee; off-highway vehicles
HB 2454 rural general hospital; intensive care
HB 2478 credit unions; loans; prepayment penalties
HB 2487 agricultural management practices committee; continuation
HB 2503* homeowners' associations; cautionary signs
HB 2517* osteopathic board; continuation
HB 2518* respiratory care board; continuation
HB 2587* in-home care providers study committee
HB 2694* racing; pari-mutuel wagering
HB 2757 health insurance; certain mandates excluded
SB 1062* homeowners' associations: for sale signs
SB 1073* deferred annuities; cash surrender; payment
SB 1100 registered nurse practitioners; authority
SB 1112* toxic fire response
SB 1127* workers' compensation; infectious disease; exposure
SB 1155 self-service storage agent license
SB 1183* relating to right to leave work; victims' right to information
SB 1203* variable group contracts
SB 1204 group disability insurance; eligible group
SB 1227* domestic violence; lease termination
SB 1251* deadly weapons; storage
SB 1254* homeowners' association; commercial signs
SB 1289* NOW: mortgage licenses; financial institutions department
SB 1290* adult immunization reporting system
SB 1291* state board of appraisal
SB 1292* timely medical payments; workers' compensation
SB 1300* cable vehicle parking; homeowners' associations
SB 1315* nursing care administrators; fees
SB 1316* nursing homes; fingerprinting
SB 1323* antifreeze; aversive or bittering agent
SB 1348* telecoil hearing aids; consumer information
SB 1349* department of real estate
SB 1352* well drillers; continuing education
SB 1428 national animal identification system; nonparticipation
SB 1483* contractors; requirements; prohibitions
SB 1504* chiropractors; copayments
SB 1529 optometry; use of pharmaceutical agents
SB 1531* vehicle emissions inspection; sunset extension
SB 1552* air quality programs

SB 1570* critical water area study committee
SB 1575* water adequacy amendments
SB 1589 logo sign programs; ADOT
SB 1589 logo sign programs; ADOT
SB 1590 holographic wills
SB 1595* motor vehicle television screen prohibition
SB 1602 city permits; waste regulation
SB 1605* NOW: in-home personal care services agencies
SM 1007* cross-border trucking pilot program

TAX AND BUDGET

HB 2051* motorcycle safety fund
HB 2084 income tax credit; other states
HB 2102* county officers; technical correction
HB 2102 county omnibus
HB 2145 ASRS; long-term disability amendments
HB 2300* water district; Upper San Pedro
HB 2311* retiree health insurance; rural subsidy
HB 2322* tax credit accountability; motion picture
HB 2367* ADOT; bid requirements; annual adjustment
HB 2392* expenditure limitation election
HB 2407* centennial; administrative costs; appropriation
HB 2434 residential property tax; homesite area
HB 2476 government property tax exemption; retroactivity
HB 2515 municipal sales tax incentives; prohibition
HB 2627 prime contracting; property owners
HB 2719* border regional port authority
HB 2733* escrow interest on trust accounts
HCM 2006* Arizona Centennial
HCR 2008/
SCR1022* school district expenditures; authorization
SB 1028 Amending sections 42-15001 and 42-15006, Arizona Revised
Statutes; relating to property tax assessment ratios
SB 1036 tax liabilities; suspension
SB 1037* 2007 tax corrections act
SB 1038 NOW: personal property tax; accelerated depreciation
SB 1077 water utility systems; valuation
SB 1083* waste tire disposal
SB 1090* NOW: budget reconciliation; general revenues
SB 1184* AHCCCS; trusts
SB 1265* VOIP service; emergency telecommunication services
SB 1320 sales tax exemption; commercial photography

SB 1351*	bond issues; health facilities authority
SB 1353*	major events fund
SB 1523	income tax; investment partnerships; nonresidents
SB 1544	municipal planning; fee disclosure
SB 1546*	condominium recovery fund
SB 1553	county assessors; procedures
SB 1554*	board of equalization; hearing officers
SB 1591	performance audits; light rail
SB 1607*	state forester
SCM 1001	repeal: certain federal withholding tax
SM 1003	unfunded mandate; REAL ID Act
SM 1005*	vision of space exploration

NOTES

The author is grateful to Goldwater Institute Ronald Reagan Fellow Laura Prehoda for her assistance in compiling legislative bills and tracking scores.

1. George Will, remarks at Goldwater Institute's Dinner on the Infield, November 30, 2006.
2. Ariz. Const. art. 2, sec. 2.
3. "Our Opinion: Goldwater's Ideals Don't Fly in Tucson," Tucson Citizen, September 29, 2003, <http://www.goldwaterinstitute.org/aboutus/ArticleView.aspx?id=345>.
4. For example, see Sierra Club-Grand Canyon Chapter, "2007 Environmental Report Card: Arizona Legislature and Governor," July 12, 2007, http://arizona.sierraclub.org/political_action/pa_2007/2007ReportCardFinal.pdf; Arizona Federation of Taxpayers Association, "22nd Annual Legislative Report Card," August 15, 2006, <http://www.aztaxpayers.org>.
5. In Arizona, bills must go through several steps to be passed by either chamber, and they must pass both chambers to become law. In the process, a bill is heard, debated, and amended by various entities within the considering chamber. The "Third Read" is the formal voting stage. The Third Read vote is conducted by means of an electronic roll-call vote that records each legislator's vote or lack thereof. If a bill is passed by a majority of the entire chamber, or by a two-thirds supermajority in cases of "Proposition 108" or "emergency" bills, it is then transferred to the other chamber for consideration. In the case of simple resolutions and memorials, the measure is transmitted directly to the Secretary of State. In a small number of instances, a bill is voted on twice in the Third Read phase, upon motion to reconsider. In these instances, this report considers each vote separately, with each vote representing a potential point in the final tally. For a comprehensive explanation of legislative procedures and processes, refer to Arizona Legislative Council, Arizona Legislative Manual (Phoenix, 2003), www.azleg.state.az.us/alisPDFs/council/legman2003.pdf.
6. These criteria were aptly summed up by U.S. Rep. Howard Buffett (R-Nebraska) when he asked before every vote, "Will this add to, or subtract from, human liberty?" Bill Kauffman, "Meet Warren Buffett's Daddy," *The American Enterprise*, July/August 2003.
7. Legislators were not held accountable for votes from which they were excused or otherwise vacant. If this occurred, the legislator's total was determined by the number of votes for which he was able to vote.
8. Negative raw scores will result in a final score of $0\% < x < 50\%$; positive raw scores will fall in a range of $50\% < x < 100\%$; a raw score of 0 will equal a final score of exactly 50 percent.
9. Indeed, even when a benefit-cost analysis can be used, its accuracy should be considered highly suspect. See Paul R. Portney, "Benefit-Cost Analysis," *The Concise Encyclopedia of Economics*, Library of Economics and Liberty, no date, www.econlib.org/library/Enc/BenefitCostAnalysis.html.
10. For example, see Solveig Bernstein, "Beyond the Communications Decency Act: Constitutional Lessons of the Internet," *Cato Institute Policy Analysis* no. 262, November 4, 1996, <http://www.cato.org/pubs/pas/pa-262.html>.

11. See Pam M. Smith, "Yuma's State Legislators Get Poor Grades from Institute," Yuma Sun, October 24, 2003, <http://www.goldwaterinstitute.org/aboutus/ArticleView.aspx?id=372>; Amanda Keim, "Legislators Flunk in Institute Report," ASU WebDevil, October 7, 2003, <http://www.goldwaterinstitute.org/aboutus/ArticleView.aspx?id=356>; and "Our Opinion: Goldwater's Ideals Don't Fly in Tucson," *Tucson Citizen* (2003).

12. This was acknowledged in an editorial written about the 2003 Legislative Report Card: "The upshot is, if you embrace the political ideals of Goldwater, the Institute's report card is an apt guide of legislative performance. If Goldwater's politics offended you, low-scoring lawmakers are right up your political alley. Regardless of one's political leanings, the Goldwater Institute does a thorough and useful job of political analyses" ("Our Opinion: Goldwater's Ideals Don't Fly in Tucson" (2003)).

13. In describing the result of Third Read votes, a two-number format is given (X-X). The first number is the number of "aye" or "yes" votes, and the second the number of "nay" or "no" votes.

14. Vicki Murray and Susan Aud, "Opening the Books: 2006 Annual Report on Arizona Public School Finance," Goldwater Institute Policy Brief no. 06-02, April 17, 2006, <http://www.goldwaterinstitute.org/AboutUs/ArticleView.aspx?id=962>.

15. Andrew Coulson, "Arizona Public and Private Schools: A Statistical Analysis," Goldwater Institute Policy Report no. 213, October 17, 2006, <http://www.goldwaterinstitute.org/AboutUs/ArticleView.aspx?id=1149>; Vicki Murray and Ross Groen, "Survey of Arizona Private Schools: Tuition, Testing and Curricula," Goldwater Institute Policy Report no. 199, January 5, 2005, <http://www.goldwaterinstitute.org/AboutUs/ArticleView.aspx?id=506>.

16. Matthew Ladner, "School choice offers way to improve Ariz. schools," *Arizona Daily Star*, July 6, 2006.

17. Lewis C. Solmon and Pete Goldschmidt, "Comparison of Traditional Public Schools and Charter Schools on Retention, School Switching, and Achievement Growth," Goldwater Institute Policy Report no. 192, March 15, 2004, <http://www.goldwaterinstitute.org/AboutUs/ArticleView.aspx?id=431>; Caroline M. Hoxby, "Rising Tide," *Education Next* 1, no. 4, Winter 2001.

18. Matthew Ladner, "Race and Disability: Racial Bias in Arizona Special Education," Goldwater Institute Policy Report no. 178, March 31, 2003.

19. Vicki Murray and Ross Groen, "Competition or Consolidation? The School District Consolidation Debate Revisited," Goldwater Institute Policy Report no. 189, January 12, 2004, <http://www.goldwaterinstitute.org/AboutUs/ArticleView.aspx?id=401>.

20. See Robert A. Levy, "Arizona's Anti-Tobacco Crusade: Smoke Free or Free to Smoke?" *Arizona Issue Analysis* no. 176, Goldwater Institute, October 8, 2002, <http://www.goldwaterinstitute.org/AboutUs/ArticleView.aspx?id=173>.

21. The maxim that government must respect the rights of individuals to live as they please, so long as they do not actually harm someone else, is one of the cornerstones of Western civilization and political tradition, as well as a key element in the American constitutional canon. Numerous thinkers have articulated variations of that maxim over the past half-millennium. A very short list of such thinkers includes Thomas Jefferson, John Locke, James Madison, John Stuart Mill, Robert Nozick, Thomas Paine, and Herbert Spencer. That maxim has also been defended on a strictly utilitarian basis, from economic

and historical evidence, by numerous thinkers over the past 250 years. A very short list includes Milton Friedman, F. A. Hayek, David Hume, Adam Smith, and Ludwig von Mises.

22. The classic American discussion of decentralization and subsidiarity is found in *The Federalist Papers* and in *The Anti-Federalist papers* (Herbert Storing, ed., *The Anti-Federalist* [Chicago: University of Chicago Press, 1985]). Other treatments of the subject include Felix Morley, *Freedom and Federalism* (Indianapolis: Liberty Fund, 1981); F. A. Hayek, *The Political Order of a Free People*, vol. 3 of *Law, Legislation, and Liberty* (Chicago: University of Chicago Press, 1979); and Michael S. Greve, *Real Federalism: Why It Matters, How It Could Happen* (Washington: AEI Press, 1999). For analyses of decentralization at the local level, see Sam Staley, “Bigger Is Not Better: The Virtues of Decentralized Local Government,” *Cato Policy Analysis* no. 166, January 21, 1992, <http://www.cato.org/pubs/pas/pa-166.html>, and Charles M. Tiebout, “A Pure Theory of Local Expenditure,” *Journal of Political Economy*, no. 64, October 1956: 416-24.

23. Noah Clarke, “Dollars and Sense: How Arizona’s Spending Choices Affect Our Future,” *Goldwater Institute Policy Report* no. 218, March 12, 2007, <http://www.goldwaterinstitute.org/AboutUs/ArticleView.aspx?id=1456>.

24. Total federal regulatory costs alone were estimated to be \$860 billion in 2002 (Clyde Wayne Crews Jr., “Ten Thousand Commandments: An Annual Snapshot of the Federal Regulatory State,” *Cato Institute*, June 8, 2003, http://www.cato.org/tech/pubs/10kc_2003.pdf). Indeed, many observers have argued that regulations often cost individuals more than they benefit them. For example, see Sam Kazman, “Comments of CEI [Competitive Enterprise Institute] and Consumer Alert to the United States Department of Transportation Concerning Its Proposed Light Truck Fuel Economy Standard For Model Years 2005-2007,” *National Highway Traffic Safety Administration*, February 26, 2003, <http://cei.org/gencon/027,03371.cfm>; Doug Bandow, “The FDA Can Be Dangerous to Your Health,” *Fortune*, January 29, 1997, <http://www.cato.org/dailys/1-29-97.html>; Kay H. Jones and Michael Gough, “Smog Proposal Promises a Legacy of High Costs and Lost Lives,” *Detroit News*, July 8, 1997, <http://www.cato.org/dailys/7-08-97.html>; and Jonathan Klick and Thomas Stratmann, “Subsidizing Addiction: Do State Health Insurance Mandates Increase Alcohol Consumption?” *Mercatus Center*, June 3, 2003, <http://www.gmu.edu/jbc/stratmann/rational%20addiction%20jls3.pdf>. For a more general discussion of the theory of detrimental regulation, see Robert W. Crandall, “An End to Economic Regulation?” in *Competition and Regulation in Utility Markets*, ed. Colin Robinson (London: Edward Elgar, 2003), and Sam Peltzman, “The Economic Theory of Regulation after a Decade of Deregulation,” in *Brookings Papers on Economic Activity, Microeconomics 1989* (Washington, D.C.: Brookings Institution Press, 1989).

25. The phrase “public good” is used here in the strict economic sense, with the further caveat that the very few goods having the characteristics of public goods actually require government provision. For an exploration of the concept of public goods, see Tyler Cowen, ed., *Public Goods and Market Failures: A Critical Examination* (New Brunswick, N.J.: Transaction Publishers, 1991).

26. Yesmin Yilmaz, “Private Regulation: A Real Alternative for Regulatory Reform,” *Cato Policy Analysis* no. 303, April 20, 1998, <http://www.cato.org/pubs/pas/pa-303.pdf>, and “Health and Safety Policy,” ch. 35 of *Cato Handbook for Congress: Policy Recommendations for the 108th Congress*, <http://www.cato.org/pubs/handbook/hb108/>

hb108-35.pdf.

27. See Sean Barrett, "Regulatory Capture, Property Rights and Taxi Deregulation: A Case Study," *Economic Affairs* no. 23 (December 2003): 34-40; Richard Posner, "Theories of Economic Regulation," *Bell Journal of Economics and Management Science* no. 5(1974): 335-58; Michael E. Levine, "Regulatory Capture," in *New Palgrave Dictionary of Economics and the Law* vol. 3 (1998): 267-71; and Irina Slinko, Ekaterina V. Zhuravskaya, and Evgeny Yakovlev, "Laws for Sale: An Empirical Study of the Effects of Regulatory Capture," Center for Economic and Financial Research Discussion Paper, March 2004, <http://ssrn.com/abstract=402840>.

28. Greg Ip, "Lenders Urged to Help Avoid Foreclosures," *Wall Street Journal*, September 5, 2007, http://online.wsj.com/article/SB118895083007417527.html?mod=sphere_ts.

29. Timothy Keller, "Burdensome Barriers: How Excessive Regulations Impede Entrepreneurship in Arizona," *Goldwater Institute Policy Report* no. 185, December 8, 2003.

30. Noah Clarke and Eric Novak, "Health Care Choice: Giving Arizonans More Health Insurance Options," *Goldwater Institute policy brief* no. 07-06, October 2, 2007.

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32. A good introduction to the concept of "deadweight loss" of taxation is Martin Feldstein, "Tax Avoidance and the Deadweight Loss of the Income Tax," *Review of Economics and Statistics*, November 1999, 674-680. See also Richard K. Vedder and Lowell E. Gallaway, "Tax Reduction and Economic Welfare," *Joint Economic Committee*, April 1999, <http://www.house.gov/jec/fiscal/tax/reduce.pdf#search=%22deadweight%20loss%20taxation%22>.

33. Dean Stansel and Stephen Moore, "The State Spending Sprees of the 1990s," *Cato Policy Analysis* no. 343, May 13, 1999, <http://www.cato.org/pubs/pas/pa-343es.html>.

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35. See Mancur Olsen Jr., *The Logic of Collective Action* (Cambridge, Mass.: Harvard University Press, 1971); James Buchanan and Gordon Tullock, *Toward a Theory*

of the Rent Seeking Society (College Station: Texas A&M Press, 1980); James Buchanan and Gordon Tullock, *The Calculus of Consent* (Ann Arbor: University of Michigan Press, 1962); and Gordon Tullock, *The Vote Motive* (London: Institute of Economic Affairs, 1976).

36. Adrian Moore, “Privatization: Competition Yields Quality,” Reason Public Policy Institute Commentary, May 1, 2002; Adrian Moore, “Making Privatization Work for State Government,” American Legislative Exchange Council Issue Analysis, August 2002.

37. “Corporate Welfare,” Cato Handbook for Congress. This also occurs in a form known as “rent seeking” and was fully explored in Gordon Tullock, *Rent Seeking* (Northampton, Mass.: Edward Elgar Publishing, 1993).

38. This is a common public choice explanation of how political interests operate. Assume that Arizona’s legislature is considering a proposal for a new \$40 million program. Also assume that 4,000 Arizonans will benefit from that program and that they will share those benefits equally. That means each will receive \$10,000 from the program. Meanwhile, assume that the cost of the program in taxes is spread out equally over 4 million Arizona taxpayers. Each taxpayer will have to pay \$10 for the program. The results of this arrangement are clear: the beneficiaries, who each stand to gain \$9,990 (\$10,000 minus \$10), have a strong incentive to lobby for the program. But the average taxpayer, who stands to lose only \$10, has very little incentive to resist the program, even with the rational understanding that \$10 here and \$10 there eventually add up to large tax bills. For further discussion, see Olsen (1971), Buchanan and Tullock (1980), Buchanan and Tullock (1962), and Tullock (1976).

39. The most promising kind of spending limitation would be based on Colorado’s Taxpayer Bill of Rights, which limits growth in state expenditures to the rate of population growth plus inflation, with surpluses above the limit refunded to taxpayers. See Michael New, “Tax and Expenditure Limitations: What Arizona Can Learn from Other States,” Goldwater Institute Policy Report no. 180, April 21, 2003, <http://www.goldwaterinstitute.org/article.php/265.html> <http://www.goldwaterinstitute.org/AboutUs/ArticleView.aspx?id=265>; and Stephen Slivinski, “Put a Cap on It: How to Control Government Spending and Balance the Budget,” Goldwater Institute Policy Report no. 167, November 15, 2001, <http://www.goldwaterinstitute.org/AboutUs/ArticleView.aspx?id=16>.

40. Byron Schlomach, “Deal Breaker: A Critique of Phoenix’s Subsidy of CityNorth,” Goldwater Institute Policy Brief no. 07-05, August 8, 2007, <http://www.goldwaterinstitute.org/AboutUs/ArticleView.aspx?id=1712>.

41. Satya Thallam, “Tax Break for Movie Producers,” Daily Commentary, Goldwater Institute, February 23, 2005, <http://www.goldwaterinstitute.org/AboutUs/ArticleView.aspx?id=571>.

42. In 2004, the Senate’s lowest average score was in the tax and budget category, and in 2007 the Senate’s lowest average was in education.

43. Averages were calculated by averaging scores of the senators and representatives from each district, with equal weight given to each.

44. Joint Legislative Budget Committee, “Budget Update—Greater Phoenix Chamber of Commerce,” August 24, 2007, <http://www.azleg.gov/jlbc/commerceupdate.pdf>.

45. Satya Thallam, "2003 Legislative Report Card," Goldwater Institute Policy Report no. 83, September 29, 2003: 31, <http://goldwaterinstitute.org/pdf/materials/346.pdf>.

46. Satya Thallam, "2004 Legislative Report Card for Arizona's Forty-sixth Legislature, Second Regular Session," Goldwater Institute Policy Report no. 197, October 25, 2004, <http://www.goldwaterinstitute.org/AboutUs/ArticleView.aspx?id=490>; Satya Thallam, "2005 Legislative Report Card for Arizona's Forty-seventh Legislature, First Regular Session," Policy Report no. 205, Goldwater Institute, September 1, 2005, <http://www.goldwaterinstitute.org/AboutUs/ArticleView.aspx?id=731>.

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