



MEMORANDUM

TO: IEDA Board
RE: Federal Legislative Report
DATE: March 13th, 2026

Majority & Midterms

Despite the Save America Act being President Trump's number one priority, it is stalled in the Senate because of the filibuster, along with the Department of Homeland Security funding. John Cornyn has mentioned eliminating the filibuster to get this through. That would have long lasting negative consequences or at least increase the whipsaw we currently see in executive orders when the President changes parties.

The President seems to want to avoid losing the house by requiring Americans to show proof of citizenship to register to vote and a valid ID in order to cast a ballot. This seems like an uphill battle, as senate Democrats are not out to do the president any favors, especially since recent special elections are trending in their favor. Recent state elections favored Democrats, even in Republican favored races. These occurred in New Hampshire, Arkansas, Louisiana and Texas. It also occurred in the Georgia Public Service Commission, flipping two seats from Republican incumbents.

The current majority is 217 to 214, with four vacancies. Kevin Kiley (I-CA) recently switched from Republican to Independent due to frustration with the partisanship. It might also have to do with California's redistricting and attempting to not get swept up in the fight. Darrell Issa (R-CA) is also retiring instead of running in a redrawn district that favors Democrats. Some good news on the horizon is that the special election to replace Marjorie Taylor Greene is likely going to be a Republican, but that would still only afford Speaker Johnson a slim two vote margin to pass any legislation.

Passing legislation is something that hasn't been a hallmark for this Congress. Facing a growing concern for the economy and affordability, which isn't being helped by the cost of gasoline due to the war with Iran, Republicans are considering a second reconciliation bill. The President is seeking a doubling of the defense bill, while energy/permitting reform, healthcare and housing are part of the discussions. With such a slim majority, it would take near unanimous support, and a slim majority can lead to Christmas tree ornament request to secure votes. If the defense budget doubles, not sure if there will be support without offsets in other areas from budget/debt hawks.

Iran & Gasoline

The situation with Iran is dominating the news and not helping with the affordability issue with the average American. Gas has gone up to \$3.63/gallon, with Arizona seeing a \$1 increase in metro Phoenix. Despite assurances of a quick settlement, the engagement has sent oil prices surging. The price escalation is helping Russia, especially since the US temporarily lifted sanctions on Russian oil. The US is in discussions with Ukraine to help produce drones developed to fight Russia in our engagement with Iran.

The only encouraging news on the gas front is that the first new oil refinery in 50 years is planned for Brownsville Texas.

Good Things to Know

President Trump essentially fired DHS Secretary Noem after her handling of recent events, especially a \$220 million ad campaign that a firm she was linked to benefited.

The Supreme Court struck down IEEPA tariffs based on a 1977 law that allowed for regulating commerce during national emergencies. There was an estimated \$200+ billion collected in 2025, but the Supreme Court didn't make any ruling on refunding the money. The President imposed a 15% tariff under Section 122 of the Trade Act of 1974 after the Supreme Court's decision.