

REFERENCE TITLE: appropriations; capital outlay; 2016-2017.

State of Arizona  
House of Representatives  
Fifty-second Legislature  
Second Regular Session  
2016

## **HB 2696**

Introduced by  
Representative Montenegro (with permission of Committee on Rules)

AN ACT

MAKING CAPITAL OUTLAY APPROPRIATIONS FOR THE DIFFERENT DEPARTMENTS OF THE  
STATE AND FOR STATE INSTITUTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Capital outlay appropriations; major maintenance and  
3 repair of state buildings; reports

4 A. Notwithstanding section 41-793.01, Arizona Revised Statutes, the  
5 amounts appropriated in this section are appropriated for fiscal year  
6 2016-2017 to be used by the applicable agency for major maintenance and  
7 repair activities for state buildings in accordance with title 41, chapter 4,  
8 article 7, Arizona Revised Statutes. Of the amounts appropriated to the  
9 department of administration, up to \$275,000 in personal services and  
10 employee-related expenditures for up to five FTE positions may be allocated  
11 each fiscal year until the building renewal projects are completed. All  
12 other monies appropriated in this section may not be spent for personal  
13 services or employee-related expenditures or for maintenance contracts on  
14 building components and equipment without review by the joint committee on  
15 capital review.

16	B. DEPARTMENT OF ADMINISTRATION	\$29,000,000
17	Fund source:	
18	State general fund	\$10,000,000
19	Capital outlay stabilization fund	\$19,000,000

20 The department of administration shall allocate \$4,200,000 of the  
21 appropriation in this subsection for the renovation of the department of  
22 health services building at 1740 West Adams. Before spending the monies  
23 allocated for this purpose, the department of administration shall submit a  
24 report on tenant relocation, including any planned consolidation of state  
25 agencies, the current commitment of new tenants and the timeline and  
26 estimated costs for relocation for review by the joint committee on capital  
27 review.

28 The department of administration shall allocate \$120,000 of the  
29 appropriation in this subsection to replace the roof at the civic building on  
30 the state fair grounds. The department may not spend the monies allocated  
31 for this purpose unless the department receives matching monies from the city  
32 of Phoenix to repair the building and this state maintains control and  
33 ownership of the building.

34 The department of administration shall allocate the monies to state  
35 agencies for necessary building renewal. If monies in the capital outlay  
36 stabilization fund established by section 41-792.01, Arizona Revised  
37 Statutes, are insufficient to fund the appropriation to the department of  
38 administration for building renewal, the appropriation to the department of  
39 administration is reduced by the difference between the amount appropriated  
40 to the department of administration from the capital outlay stabilization  
41 fund and the balance in the capital outlay stabilization fund.

42 On or before January 31, 2017 and July 31, 2017, the department of  
43 administration shall report to the joint legislative budget committee staff  
44 on the status of all building renewal projects and building renewal  
45 expenditures.

1	C. STATE DEPARTMENT OF CORRECTIONS	\$ 5,464,300
2	Fund source:	
3	Department of corrections building	
4	renewal fund	\$ 5,464,300
5	On or before January 31, 2017 and July 31, 2017, the state department	
6	of corrections shall report to the joint legislative budget committee staff	
7	on the status of all building renewal projects and building renewal	
8	expenditures. The department may not spend any of this appropriation on	
9	personal services or overhead expenses related to the management of the	
10	funded projects.	
11	D. ARIZONA GAME AND FISH DEPARTMENT	\$ 530,000
12	Fund source:	
13	Game and fish fund	\$ 530,000
14	E. DEPARTMENT OF JUVENILE CORRECTIONS	\$ 1,100,000
15	Fund source:	
16	Criminal justice enhancement fund	\$ 1,100,000
17	F. ARIZONA STATE LOTTERY COMMISSION	\$ 118,100
18	Fund source:	
19	State lottery fund	\$ 118,100
20	G. DEPARTMENT OF TRANSPORTATION	\$ 4,232,300
21	Fund sources:	
22	State highway fund	\$ 4,000,000
23	State aviation fund	\$ 232,300

24 Sec. 2. Appropriation; Arizona game and fish department;  
25 capital improvements; radio towers

26 A. The sum of \$306,000 is appropriated from the game and fish fund  
27 established by section 17-261, Arizona Revised Statutes, in fiscal year  
28 2016-2017 to the Arizona game and fish department for capital improvements to  
29 radio towers.

30 B. Before spending the appropriation in subsection A of this section,  
31 the Arizona game and fish department shall submit the scope, purpose and  
32 estimated cost of the capital improvements to the joint committee on capital  
33 review for its review pursuant to section 41-1252, Arizona Revised Statutes.

34 Sec. 3. Appropriation; Arizona game and fish department;  
35 capital improvements; boat structures

36 A. The sum of \$874,900 is appropriated from the watercraft licensing  
37 fund prescribed by section 5-323, Arizona Revised Statutes, in fiscal year  
38 2016-2017 to the Arizona game and fish department for capital improvements to  
39 boat structures.

40 B. Before spending the appropriation in subsection A of this section,  
41 the Arizona game and fish department shall submit the scope, purpose and  
42 estimated cost of the capital improvements to the joint committee on capital  
43 review for its review pursuant to section 41-1252, Arizona Revised Statutes.



1 B. Before spending the appropriation in subsection A of this section,  
2 the department of transportation shall submit the scope, purpose and  
3 estimated cost of the capital improvements to the joint committee on capital  
4 review for its review pursuant to section 41-1252, Arizona Revised Statutes.

5 Sec. 8. Appropriation; department of transportation; Interstate  
6 10 projects; exemption from review; alternative use

7 A. The sum of \$30,000,000 is appropriated from the state general fund  
8 in fiscal year 2016-2017 to the department of transportation for Interstate  
9 10 widening projects. These monies shall be combined with funding from the  
10 federal fostering advancements in shipping and transportation for the  
11 long-term achievement of national efficiencies grant to widen:

12 1. Interstate 10 from Earley Road to Interstate 8.

13 2. The Interstate 10 interchange with state route 87.

14 B. Notwithstanding section 41-1252, Arizona Revised Statutes, the  
15 appropriation made in subsection A of this section is not subject to review  
16 by the joint committee on capital review.

17 C. If the department of transportation does not receive a federal  
18 fostering advancements in shipping and transportation for the long-term  
19 achievement of national efficiencies grant, the appropriation made in  
20 subsection A of this section shall be used for statewide highway construction  
21 as part of the five year transportation facilities construction program  
22 established pursuant to section 28-6951, Arizona Revised Statutes.

23 Sec. 9. Appropriation; department of transportation; state  
24 route 189; exemption from review; alternative use

25 A. The sum of \$25,000,000 is appropriated from the state general fund  
26 in fiscal year 2016-2017 to the department of transportation for the  
27 acceleration of the state route 189 construction project from the Mariposa  
28 port of entry to Interstate 19.

29 B. Notwithstanding section 41-1252, Arizona Revised Statutes, the  
30 appropriation made in subsection A of this section is not subject to review  
31 by the joint committee on capital review.

32 C. If the department of transportation is unable to use the  
33 appropriation made in subsection A of this section to accelerate construction  
34 of the state route 189 project from fiscal year 2020-2021 to at least fiscal  
35 year 2018-2019, or if the department is successful in its application for a  
36 \$25,000,000 transportation investment generating economic recovery grant for  
37 the state route 189 project, the appropriation made in subsection A of this  
38 section shall be used for statewide highway construction as part of the five  
39 year transportation facilities construction program established pursuant to  
40 section 28-6951, Arizona Revised Statutes.

41 Sec. 10. Appropriation; department of transportation; route  
42 H60; exemption from review

43 A. The sum of \$1,500,000 is appropriated from the state general fund  
44 in fiscal year 2016-2017 to the department of transportation for distribution  
45 to the Navajo Nation for the route H60 construction project.

1 B. Notwithstanding section 41-1252, Arizona Revised Statutes, the  
2 appropriation made in subsection A of this section is not subject to review  
3 by the joint committee on capital review.

4 Sec. 11. Capital outlay appropriations; major capital projects;  
5 department of transportation; reports

6		<u>2016-2017</u>
7	Department of transportation:	
8	1. <u>Statewide highway construction</u>	\$270,615,000
9	Fund source:	
10	State highway fund	\$270,615,000

11 The amount appropriated for highway construction is from the state  
12 highway fund established by section 28-6991, Arizona Revised Statutes, for  
13 the planning and construction of state highways, including the national  
14 system of interstate highways within this state, the state primary or  
15 secondary system, the county primary or secondary system and urban rural  
16 routes, the acquisition of rights-of-way, the cost of contracted field  
17 administration and field engineering on construction projects and debt  
18 service payments on bonds issued for highway construction. Any balances and  
19 collections in the state highway fund in excess of the specific amounts  
20 appropriated in the general appropriation act and in this act are  
21 appropriated to the department for the purposes provided in this paragraph.

22 The department of transportation shall report on or before November 1,  
23 2016 to the joint committee on capital review on its actual prior year,  
24 estimated current year and upcoming budget year highway construction expenses  
25 from all fund sources, including appropriated monies, federal monies, local  
26 agency monies, state highway monies, bond proceeds and regional area road  
27 monies. The report shall be in the same format as in the prior year unless  
28 modifications have been approved by the directors of the joint legislative  
29 budget committee and the governor's office of strategic planning and  
30 budgeting.

31 On or before November 1, 2016, the department of transportation shall  
32 report capital outlay information for fiscal years 2015-2016, 2016-2017 and  
33 2017-2018 to the directors of the joint legislative budget committee and the  
34 governor's office of strategic planning and budgeting. This information  
35 shall appear in the same format as tables two, three and five, as found in  
36 the fiscal year 2015-2016 appropriations report.

37 On or before November 1, 2016, the department of transportation shall  
38 report the department's estimated outstanding debt principal balance at the  
39 end of fiscal year 2017-2018 and the estimated debt service payment amount  
40 for fiscal year 2017-2018 to the directors of the joint legislative budget  
41 committee and the governor's office of strategic planning and budgeting.  
42 This report shall include state highway fund statewide construction bonds,  
43 Arizona highway user revenue fund, Maricopa association of governments and  
44 Pima association of governments controlled access bonds, Maricopa regional  
45 area road fund bonds and grant anticipation notes and is intended to be

1 comparable to the information in the fiscal year 2015-2016 appropriations  
2 report.

3 2. Airport planning and development \$ 19,079,900

4 Fund source:

5 State aviation fund \$ 19,079,900

6 The amount is appropriated from the state aviation fund established by  
7 section 28-8202, Arizona Revised Statutes, for the planning, construction,  
8 development and improvement of state, county, city or town airports as  
9 determined by the state transportation board. Any balances and collections  
10 in the state aviation fund in excess of the specific amounts appropriated in  
11 the general appropriation act and in this act are appropriated to the  
12 department of transportation for the purposes provided in this paragraph.

13 3. Statewide highway construction; one-time \$ 9,500,000

14 Fund source:

15 State general fund \$ 9,500,000

16 The amount appropriated for highway construction is for the planning  
17 and construction of state highways, including the national system of  
18 interstate highways within this state, the state primary or secondary system,  
19 the county primary or secondary system and urban rural routes, the  
20 acquisition of rights-of-way, the cost of contracted field administration and  
21 field engineering on construction projects.

22 Total appropriation - department of transportation \$299,194,900

23 Fund sources:

24 State general fund \$ 9,500,000

25 State highway fund \$270,615,000

26 State aviation fund \$ 19,079,900

27 Sec. 12. Department of administration reports; FTE positions;  
28 reallocations

29 A. The department of administration shall report on the status of  
30 project-specific FTE positions for capital projects in its annual capital  
31 budget request.

32 B. The department of administration may allocate FTE positions  
33 authorized for specific projects to other projects in this act if the funding  
34 for the FTE positions is cost allocated among the projects receiving benefit.  
35 The department of administration shall report any FTE position reallocations  
36 to the joint committee on capital review on or before December 31, 2016.

37 Sec. 13. Use of appropriations; limitation

38 Unless otherwise specified, the monies appropriated in this act may not  
39 be spent for personal services or employee-related expenditures of state  
40 employees, excluding any services provided as part of the inmate construction  
41 program for correctional facilities.

42 Sec. 14. Lapsing; exemption; reversion

43 A. The appropriations made in sections 8, 9, 10 and 11 of this act do  
44 not lapse until the purpose for which the respective appropriation was made

1 has been accomplished or abandoned, or the appropriation stands for a full  
2 fiscal year without an expenditure or an encumbrance.

3 B. Except as provided in subsection A of this section and  
4 notwithstanding section 35-190, subsection D, Arizona Revised Statutes, the  
5 appropriations made in this act for fiscal year 2016-2017 that are unexpended  
6 on June 30, 2018 revert to the fund from which the monies were appropriated.

7 Sec. 15. JCCR review

8 Pursuant to section 41-1252, Arizona Revised Statutes, the joint  
9 committee on capital review shall review the scope, purpose and estimated  
10 cost of a new capital project that has an estimated cost of more than  
11 \$250,000.