

Senate Engrossed  
noncustodial federal monies; appropriation

State of Arizona  
Senate  
Fifty-fifth Legislature  
Second Regular Session  
2022

# SENATE BILL 1175

AN ACT

AMENDING TITLE 35, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 1.1;  
RELATING TO THE APPROPRIATION OF NONCUSTODIAL FEDERAL MONIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 35, Arizona Revised Statutes, is amended by adding  
3 chapter 1.1, to read:

4 CHAPTER 1.1

5 APPROPRIATION OF FEDERAL MONIES

6 ARTICLE 1. GENERAL PROVISIONS

7 35-251. Definition of noncustodial federal monies

8 FOR THE PURPOSES OF THIS CHAPTER, "NONCUSTODIAL FEDERAL MONIES":

9 1. MEANS FEDERAL MONIES THAT MEET ONE OF THE FOLLOWING CRITERIA:

10 (a) ARE DESIGNATED BY THE FEDERAL GOVERNMENT AS BLOCK GRANT MONIES.

11 (b) ARE DESIGNATED BY THE FEDERAL GOVERNMENT AS GENERAL REVENUE  
12 SHARING MONIES.

13 (c) PROVIDE THIS STATE WITH BROAD AUTHORITY TO MAKE SPENDING  
14 DECISIONS REGARDING DEVELOPING, IMPLEMENTING OR OPERATING A PROGRAM OR  
15 SERVICE.

16 (d) ARE CONSIDERED ESSENTIAL TO MEET TOTAL SPENDING OBLIGATIONS OF  
17 A FEDERALLY REQUIRED OR MATCHED PROGRAM OR SERVICE AUTHORIZED BY THE  
18 LEGISLATURE IN WHICH THE FEDERAL GOVERNMENT REQUIRES AT LEAST ONE PERCENT  
19 OF THE PROGRAM OR SERVICE FUNDING TO COME FROM THIS STATE.

20 2. DOES NOT INCLUDE:

21 (a) FEDERAL MONIES OR RESEARCH GRANTS AWARDED TO UNIVERSITIES,  
22 UNIVERSITY EMPLOYEES OR THE ARIZONA BOARD OF REGENTS FOR AND ON BEHALF OF  
23 THE UNIVERSITIES UNDER ITS JURISDICTION.

24 (b) FEDERAL MONIES FOR USE BY THE DEPARTMENT OF EMERGENCY AND  
25 MILITARY AFFAIRS.

26 (c) FEDERAL MONIES AWARDED DIRECTLY TO SCHOOL DISTRICTS OR  
27 COMMUNITY COLLEGES.

28 35-252. Receipt of noncustodial federal monies; accounting

29 A BUDGET UNIT THAT RECEIVES NONCUSTODIAL FEDERAL MONIES SHALL  
30 ACCOUNT FOR THE NONCUSTODIAL FEDERAL MONIES IN SEPARATE ACCOUNTS OR FUNDS  
31 AS NECESSARY TO MEET ACCOUNTING, BUDGETARY AND AUDITING REQUIREMENTS. THE  
32 DEPARTMENT OF ADMINISTRATION MAY USE THE MOST EFFICIENT SYSTEM OF ACCOUNTS  
33 AND RECORDS, CONSISTENT WITH LEGAL REQUIREMENTS AND STANDARDS, AND  
34 NECESSARY FISCAL SAFEGUARDS.

35 35-253. Appropriation of noncustodial federal monies;  
36 legislative powers and duties

37 A. THE LEGISLATURE RETAINS THE AUTHORITY TO APPROPRIATE  
38 NONCUSTODIAL FEDERAL MONIES. IF THE LEGISLATURE DOES NOT MAKE AN  
39 APPROPRIATION FOR EITHER A PARTICULAR FUND, A SPECIFIC GRANT PROGRAM OR A  
40 BLOCK OF NONCUSTODIAL FEDERAL MONIES, THE BUDGET UNIT THAT HAS LAWFUL  
41 AUTHORITY SHALL ADMINISTER AND SPEND THESE MONIES PURSUANT TO FEDERAL AND  
42 STATE LAW.

43 B. THE LEGISLATURE SHALL SPECIFY IN EACH NONCUSTODIAL FEDERAL  
44 MONIES APPROPRIATION THE PURPOSES FOR WHICH THE NONCUSTODIAL FEDERAL  
45 MONIES ARE TO BE USED, CONSISTENT WITH FEDERAL LAW. FOR THE PURPOSES OF

1 OBTAINING EXPENDITURE AUTHORITY FOR UNANTICIPATED NONCUSTODIAL FEDERAL  
2 MONIES THAT MAY BECOME AVAILABLE WHEN THE LEGISLATURE IS NOT IN SESSION,  
3 THE LEGISLATURE MAY MAKE A LUMP SUM APPROPRIATION. BEFORE SPENDING MONIES  
4 FROM THE LUMP SUM APPROPRIATION, THE BUDGET UNIT SHALL SUBMIT THE PROPOSED  
5 EXPENDITURE TO THE JOINT LEGISLATIVE BUDGET COMMITTEE FOR REVIEW, SUBJECT  
6 TO ANY CONDITION SPECIFIED BY THE LEGISLATURE.

7 C. IF THE AMOUNT OF THE NONCUSTODIAL FEDERAL MONIES RECEIVED IS  
8 LESS THAN THE AMOUNT APPROPRIATED, THE APPROPRIATION OF NONCUSTODIAL  
9 FEDERAL MONIES SHALL BE REDUCED TO THE AMOUNT OF THE NONCUSTODIAL FEDERAL  
10 MONIES RECEIVED. THE ACTIVITIES FINANCED BY THE NONCUSTODIAL FEDERAL  
11 MONIES SHALL BE REDUCED PROPORTIONATELY.

12 D. IF THE AMOUNT OF THE NONCUSTODIAL FEDERAL MONIES RECEIVED IS  
13 MORE THAN THE AMOUNT APPROPRIATED, THE TOTAL APPROPRIATION OF FEDERAL AND  
14 STATE MONIES ALLOCATED FOR A PROGRAM OR SERVICE SHALL REMAIN AT THE AMOUNT  
15 DESIGNATED BY THE LEGISLATURE. THE STATE TREASURER SHALL CREDIT THE  
16 EXCESS NONCUSTODIAL FEDERAL MONIES TO THE APPROPRIATE BUDGET UNIT ACCOUNT.

17 Sec. 2. Effective date

18 This act is effective from and after June 30, 2023.