

House Engrossed

state budget implementation; 2025-2026

State of Arizona
House of Representatives
Fifty-seventh Legislature
First Regular Session
2025

HOUSE BILL 2960

AN ACT

AMENDING SECTIONS 41-703 AND 41-722, ARIZONA REVISED STATUTES;
APPROPRIATING MONIES; RELATING TO IMPLEMENTATION OF BUDGETARY REVISIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 41-703, Arizona Revised Statutes, is amended to
3 read:

4 41-703. Duties of director

5 The director shall:

6 1. Be directly responsible to the governor for the direction,
7 control and operation of the department.

8 2. Provide assistance to the governor and legislature as requested.

9 3. Adopt rules the director deems necessary or desirable to further
10 the objectives and programs of the department.

11 4. Formulate policies, plans and programs to effectuate the
12 missions and purposes of the department. THE DIRECTOR SHALL CONSULT WITH
13 AND ACCOMMODATE THE POLICIES OF THE BUDGET UNITS OF THE LEGISLATIVE BRANCH
14 OF STATE GOVERNMENT IN IMPLEMENTING THE DEPARTMENT'S PERSONNEL AND
15 FINANCIAL DATA MANAGEMENT SYSTEM AND APPLICATIONS.

16 5. Employ, determine the conditions of employment and prescribe the
17 duties and powers of administrative, professional, technical, secretarial,
18 clerical and other persons as may be necessary in the performance of the
19 department's duties and contract for the services of outside advisors,
20 consultants and aides as may be reasonably necessary.

21 6. Make contracts and incur obligations within the general scope of
22 the department's activities and operations subject to the availability of
23 monies.

24 7. Contract with or assist other departments, agencies and
25 institutions of the state, local and federal governments in the
26 furtherance of the department's purposes, objectives and programs.

27 8. Accept and disburse grants, gifts, donations, matching monies
28 and direct payments from public or private agencies for the conduct of
29 programs that are consistent with the overall purposes and objectives of
30 the department.

31 9. Establish and maintain separate financial accounts as required
32 by federal law or regulations.

33 10. Advise and make recommendations to the governor and the
34 legislature on all matters concerning the department's objectives.

35 11. Delegate the administrative functions, duties and powers as the
36 director deems necessary to carry out the efficient operation of the
37 department.

38 Sec. 2. Section 41-722, Arizona Revised Statutes, is amended to
39 read:

40 41-722. Powers and duties relating to finance

41 A. The department shall assist the governor in ~~his~~ THE GOVERNOR'S
42 duties pertaining to the formulation of the budget, ~~and~~ and shall correlate
43 and recommend revision of estimates and requests for appropriations of the
44 budget units.

1 B. The director shall:

2 1. Make changes or improvements in state accounting practices,
3 systems and procedures as ~~he~~ THE DIRECTOR deems advisable. THE DIRECTOR
4 SHALL CONSULT WITH AND ACCOMMODATE THE POLICIES OF THE BUDGET UNITS OF THE
5 LEGISLATIVE BRANCH OF STATE GOVERNMENT IN IMPLEMENTING THE DEPARTMENT'S
6 PERSONNEL AND FINANCIAL DATA MANAGEMENT SYSTEM AND APPLICATIONS.

7 2. Continually evaluate and plan improvements of state fiscal
8 matters and annually submit ~~his~~ recommendations to the governor.

9 3. Recommend to the governor such administrative reorganization and
10 management practices as ~~he~~ THE DIRECTOR deems necessary for the economical
11 and efficient operation of state government.

12 4. Develop and maintain, in cooperation with each state agency and
13 recommend to the governor a comprehensive, long-range plan for capital
14 outlay, consistent with means available for financing the same.

15 5. Promulgate rules, regulations or procedures to carry out the
16 provisions of this article.

17 Sec. 3. Unrestricted federal monies; essential government
18 services; retroactivity

19 A. Any unrestricted federal monies received by this state beginning
20 July 1, 2025 through June 30, 2026 shall be deposited in the state general
21 fund. The monies shall be used to pay essential government services.

22 B. This section applies retroactively to from and after June 30,
23 2025.

24 Sec. 4. Budget stabilization fund; exceptions

25 Notwithstanding section 35-144, Arizona Revised Statutes:

26 1. For fiscal years 2025-2026, 2026-2027 and 2027-2028, the
27 legislature is not required to appropriate monies to or transfer monies
28 from the budget stabilization fund.

29 2. For fiscal year 2025-2026, the budget stabilization fund is not
30 limited to ten percent of the state general fund revenue for the fiscal
31 year, and the state treasurer may not transfer any surplus monies from the
32 budget stabilization fund to the state general fund.