

House Engrossed Senate Bill

capital outlay; 2025-2026; appropriations

State of Arizona
Senate
Fifty-seventh Legislature
First Regular Session
2025

CHAPTER 235
SENATE BILL 1737

AN ACT

AMENDING LAWS 2022, CHAPTER 309, SECTION 8, AS AMENDED BY LAWS 2023, CHAPTER 135, SECTION 3; AMENDING LAWS 2023, CHAPTER 135, SECTION 10, AS AMENDED BY LAWS 2024, CHAPTER 211, SECTION 1; AMENDING LAWS 2024, CHAPTER 211, SECTION 9; AMENDING LAWS 2024, CHAPTER 211, SECTION 10; REPEALING LAWS 2024, CHAPTER 211, SECTION 33; MAKING CAPITAL OUTLAY APPROPRIATIONS FOR THE DIFFERENT DEPARTMENTS OF THE STATE AND FOR STATE INSTITUTIONS; PROVIDING FOR REVIEW OF CAPITAL OUTLAY PROJECTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Laws 2022, chapter 309, section 8, as amended by Laws
3 2023, chapter 135, section 3, is amended to read:

4 Sec. 8. Appropriations; department of transportation; highway
5 construction; intent; reports; exemption; lapsing

6 A. The following amounts are appropriated from the state highway
7 fund established by section 28-6991, Arizona Revised Statutes, in fiscal
8 year 2022-2023 to the department of transportation for the following
9 highway projects:

10 1. Design and construct additional vehicle
11 lanes, separated by a lighted median,
12 on Interstate 10 between State Route 85
13 and Citrus Road \$60,910,000

14 The legislature intends that:

15 (a) Not more than one hundred twenty days after the effective date
16 of this section, the city of Buckeye contribute \$3,000,000 to the project
17 described in this paragraph.

18 (b) The Maricopa association of governments collect and contribute
19 at least \$10,000,000 from sources other than this state for the project
20 described in this paragraph.

21 (c) The department use any federal discretionary monies awarded for
22 the project described in this paragraph before spending the monies
23 appropriated in this paragraph.

24 2. Improve Jackrabbit Trail between
25 Thomas Road and McDowell Road \$20,080,000

26 The legislature intends that the city of Buckeye contribute
27 \$5,020,000 to the project described in this paragraph.

28 3. Acquire right-of-way to extend State
29 Route 24 \$15,000,000

30 4. Rehabilitate pavement along United States
31 Route 60 between Loop 101
32 and Loop 202 \$38,482,000

33 5. Study the construction of an emergency
34 evacuation bridge in Lake Havasu City \$ 200,000

35 6. Construct roundabout at intersection of
36 State Route 69 and State Route 169 \$ 8,022,500

37 7. Study and design traffic interchange on
38 State Route 74 at Lake Pleasant Parkway \$ 5,000,000

39 8. Assess intersection of State Route 79 and
40 Hunt Highway \$ 100,000

41 9. Assess intersection of State Route 87
42 and Skousen Road \$ 100,000

43 10. Design traffic interchange on State
44 Route 89 at State Route 89A \$ 600,000

| | | |
|----|---|--|
| 1 | 11. Rehabilitate pavement along State Route 90 between Campus Drive and the U.S. Border Patrol Station in Huachuca City | \$38,620,000 |
| 2 | 12. Rehabilitate pavement along United States Route 191 between Mile Post 163 and Mile Post 173 | \$22,152,000 |
| 3 | 13. Design and construct a screen wall along Loop 101 between 51st Avenue and 59th Avenue | \$ 9,514,000 |
| 4 | 14. Rehabilitate pavement along United States Route 191 between Armory Road and East Safford | \$18,981,000 \$16,481,000 |
| 5 | 15. Design to improve State Route 238 between State Route 347 and Green Road | \$ 800,000 |
| 6 | 16. Design work for State Route 303 Improvements from Interstate 17 to Lake Pleasant Parkway | \$ 4,000,000 |
| 7 | 17. Design work for the interchange at State Route 303 and Interstate 17 | \$19,000,000 |
| 8 | 18. Design to widen lanes along State Route 347 between Interstate 10 and city of Maricopa | \$19,000,000 |
| 9 | 19. Assess intersection on State Route 389 at Arizona Avenue | \$ 100,000 |
| 10 | 20. Distribute to the northern Arizona intergovernmental public transportation authority for capital costs of the Flagstaff downtown connection center | \$ 6,000,000 |
| 11 | 21. Install lighting on the Sentinel exit in Gila Bend | \$ 1,085,000 |
| 12 | 22. Conduct a tier 2 study for the North-South Corridor in Pinal county | \$15,000,000 |
| 13 | 23. Conduct a tier 2 study for the Sonoran Corridor in Pima county | \$14,000,000 |
| 14 | 24. Conduct a tier 2 study for Interstate 11 in Maricopa county | \$25,000,000 |
| 15 | 25. Design and construct a screen wall along the east side of Loop 101 near 16th Street | \$ 7,250,000 |
| 16 | B. Within thirty days after the last day of each calendar quarter, the department shall report to the joint legislative budget committee staff the projected cost and status of the projects for the appropriations | |

1 made in subsection A of this section. The report shall include any
2 impacts to the projects due to the increase in the cost of concrete.

3 C. Before transferring monies between the projects described in
4 subsection A of this section, the department shall submit a report for
5 review by the joint committee on capital review.

6 D. Notwithstanding section 41-1252, Arizona Revised Statutes, the
7 appropriations made in subsection A of this section are not subject to
8 review by the joint committee on capital review.

9 E. The appropriations made in subsection A of this section do not
10 lapse until the purpose for which the appropriations were made has been
11 accomplished or abandoned, or the appropriations stand for a full fiscal
12 year without an expenditure or encumbrance.

13 Sec. 2. Laws 2023, chapter 135, section 10, as amended by Laws
14 2024, chapter 211, section 1, is amended to read:

15 Sec. 10. Appropriations: department of transportation:
16 highway projects; exemption

17 A. The following amounts are appropriated from the state general
18 fund in fiscal year 2023-2024 to the department of transportation for the
19 following highway projects:

| | | |
|---|--|--------------|
| 20 1. Improve the interchange at State Route | | |
| 21 303 and U.S. Route 60 | | \$ 4,500,000 |
| 22 2. Distribute to the town of Clarkdale to | | |
| 23 replace the current bridge over | | |
| 24 Bitter Creek wash | | \$ 6,321,400 |
| 25 3. Improve intersection on State Route 347 | | |
| 26 at Casa Blanca Road and Cement | | |
| 27 Plant access | | \$18,000,000 |
| 28 4. Distribute to the city of Phoenix for | | |
| 29 improvements on Happy Valley Road | | |
| 30 between 35th Avenue and 67th Avenue | | \$12,500,000 |

31 The legislature intends that the city of Phoenix contribute
32 \$14,800,000 to the project described in this paragraph.

33 5. Distribute to the town of Prescott Valley

| | | |
|---|--|--------------|
| 34 to improve Glassford Hill Road | | \$ 9,900,000 |
| 35 The department of transportation may distribute the monies | | |
| 36 appropriated in this paragraph only if the town of Prescott Valley | | |
| 37 demonstrates to the department that the town has a commitment for at least | | |
| 38 \$1,100,000 in matching monies of gifts, grants and donations for | | |
| 39 improvements to Glassford Hill Road from sources other than this state. | | |

40 6. Distribute to the city of Coolidge for
41 Coolidge Avenue reconstruction between
42 Christensen Road and Clemans Road

\$ 5,300,000

| | | |
|----|--|--------------|
| 1 | 7. Distribute to the city of Eloy for Sunland | |
| 2 | Gin Road Interstate 10 overpass and road | |
| 3 | improvements between Interstate 10 and | |
| 4 | Arica Road | \$ 5,000,000 |
| 5 | 8. Distribute to the town of Marana for | |
| 6 | design costs for traffic interchange | |
| 7 | between Interstate 10 and Cortaro Road | \$10,000,000 |
| 8 | 9. Distribute to the city of Douglas for road | |
| 9 | development and construction connecting | |
| 10 | the Douglas international commercial | |
| 11 | port of entry and State Route 80 | \$ 8,170,000 |
| 12 | 10. Distribute to the town of Patagonia for | |
| 13 | McKeown Avenue reconstruction between | |
| 14 | Fourth Avenue West and State Route 82 | \$ 1,500,000 |
| 15 | 11. Distribute to the city of Sierra Vista for | |
| 16 | Theater Drive corridor improvements | |
| 17 | between 7th Street and Carmichael | |
| 18 | Avenue | \$ 1,800,000 |
| 19 | 12. Distribute to Graham county for | |
| 20 | intersection reconstruction at Norton | |
| 21 | Road and Reay Lane | \$ 500,000 |
| 22 | 13. Distribute to Cochise county for | |
| 23 | Moson Road drainage and safety | |
| 24 | improvements between State Route 90 | |
| 25 | and Hereford Road | \$ 6,100,000 |
| 26 | 14. Improve U.S. Route 95 between Wellton | |
| 27 | Mohawk Canal Road and Aberdeen Road | \$33,300,000 |
| 28 | 15. Distribute to Yuma county for | |
| 29 | U.S. Route 95 pavement | |
| 30 | rehabilitation between County | |
| 31 | 22nd Street and County 11th Street | \$ 5,910,400 |
| 32 | 16. Design work and engineer improvements on | |
| 33 | State Route 85 between mile post 123 | |
| 34 | and Maricopa Road | \$ 6,500,000 |
| 35 | 17. Construct turn lanes along State Route 95 | |
| 36 | near Bullhead City | \$ 8,000,000 |
| 37 | 18. Construct an emergency evacuation bridge | |
| 38 | in Lake Havasu City | \$35,500,000 |
| 39 | 19. Distribute to the town of Queen Creek | |
| 40 | to extend State Route 24 including a | |
| 41 | traffic interchange at State Route 24 | |
| 42 | and Ironwood Road | \$59,800,000 |

1 Monies distributed to the town of Queen Creek for the project in
 2 this paragraph are eligible to be used for all necessary expenses from the
 3 current project status until completion. The town of Queen Creek must
 4 collaborate with Pinal county before spending the monies distributed for
 5 the project pursuant to this paragraph.

| | | |
|----|--|-------------------------|
| 6 | 20. Improve State Route 83 within Santa Cruz county | \$ 9,000,000 |
| 7 | 21. Distribute to the town of Cave Creek to study the construction of expanding lanes along Cave Creek Road between Loop 101 and Carefree Highway | \$ 250,000 |
| 8 | 22. Design a freeway interchange on Interstate 10 at Jackrabbit Trail | \$ 5,000,000 |
| 9 | 23. Distribute to the city of Phoenix to extend 43rd Avenue between Dove Valley Road and State Route 74 | \$ 6,500,000 |
| 10 | 24. Design of State Route 87 intersection improvements at Arica Road and Shedd Road | \$ 700,000 |
| 11 | 25. Distribute to the town of Huachuca City for Skyline Drive reconstruction between State Route 90 and Huachuca City Landfill | \$ 1,565,200 |
| 12 | 26. Distribute to the town of Huachuca City for Skyline Pathway development along Skyline Drive between Gila Avenue and Edgewood Street | \$ 506,000 |
| 13 | 27. Distribute to the town of Pinetop-Lakeside for Porter Mountain Road improvements in the vicinity of Blue Ridge elementary school | \$ 2,242,200 |
| 14 | 28. Distribute to the city of Globe for sidewalk construction along Jesse Hayes Road and Six Shooter Canyon Road | \$ 3,501,100 |
| 15 | 29. Distribute to the town of Payson for roundabout construction and improvements at intersection of Longhorn Road and McLane Road | \$ 1,529,800 |
| 16 | 30. 29. Distribute to the city of Globe for Jesse Hayes Road bridge replacement and improvements at Pinal Creek | \$ 643,200 |
| 17 | 31. 30. Distribute to the city of Globe for Cottonwood Street bridge replacement and improvements at Pinal Creek | \$ 632,500 |

| | | | | |
|----|--|---|--|--------------|
| 1 | 32. | 31. | Distribute to Gila county for Houston Mesa Road improvements between State Route 260 and .4 miles south of Forest Road 198 | \$ 243,600 |
| 2 | 33. | 32. | Distribute to the Canyon Water improvement district to make improvements to infrastructure, including fire hydrants and other related water needs | \$ 610,000 |
| 3 | 34. | 33. | Distribute to Graham county for Safford Bryce Road improvements in the vicinity of Talley Wash Crossing | \$ 1,781,500 |
| 4 | 35. | 34. | Distribute to the town of Thatcher for 8th Street improvements between 1st Avenue and 20th Avenue | \$ 4,526,400 |
| 5 | 36. | 35. | Repave U.S. Route 60 between Morristown and Wickenburg | \$10,500,000 |
| 6 | 37. | 36. | Distribute to the town of Winkelman for improvements to Golf Course Road and Quarelli Street | \$ 1,560,900 |
| 7 | 38. | 37. | Distribute to the town of Superior for Panther Drive bridge design and construction at Queen Creek | \$ 2,486,700 |
| 8 | 39. | 38. | Improve State Route 260 within Navajo county | \$ 4,250,000 |
| 9 | 40. | 39. | Distribute to the Navajo Nation for Improvements to N9402 Road near Lupton and Houck | \$10,000,000 |
| 10 | 41. | 40. | Distribute to Apache county for State Route 264 turn lane construction into the Ganado senior citizens center and veterans building development area | \$ 538,700 |
| 11 | 42. | 41. | Distribute to the city of Tucson for improvements to the Drexel Road bridge | \$15,000,000 |
| 12 | 43. | 42. | Distribute to Santa Cruz county for improvements to traffic interchange at Interstate 19 and Rio Rico Drive and traffic interchange at Interstate 19 and Ruby Road | \$ 8,600,000 |
| 13 | B. | Within thirty days after the last day of each calendar quarter, | | |
| 14 | the department of transportation shall report to the joint legislative | | | |
| 15 | budget committee staff the projected cost and status of the projects for | | | |
| 16 | the appropriations made in subsection A of this section. | | | |

1 C. Before transferring monies between the projects described in
2 subsection A of this section, the department of transportation shall
3 submit a report for review by the joint committee on capital review.

4 D. Notwithstanding section 41-1252, Arizona Revised Statutes, the
5 appropriations made in subsection A of this section are not subject to
6 review by the joint committee on capital review.

7 Sec. 3. Laws 2024, chapter 211, section 9 is amended to read:

8 Sec. 9. Appropriation reductions; appropriation; department
9 of transportation; Riggs Road overpass; fiscal
10 years 2020-2021, 2022-2023 and 2027-2028; fund
11 balance transfer; intent

12 A. Notwithstanding any other law, the following amounts are reduced
13 from appropriations made to the following state agency in fiscal year
14 2020-2021 by Laws 2021, chapter 406, section 33, AS AMENDED BY LAWS 2022,
15 CHAPTER 33, SECTION 1 AND LAWS 2023, CHAPTER 135, SECTION 1, for the
16 following project:

17 B. DEPARTMENT OF TRANSPORTATION

18 Construct an overpass at Riggs Road
19 and State Route 347 \$()

20 Fund sources:

21 State general fund \$(25,000,000)

22 C. Notwithstanding any other law, the following amounts are reduced
23 from appropriations made to the following state agency in fiscal year
24 2022-2023 by Laws 2022, chapter 309, section 12, as amended by Laws 2023,
25 chapter 135, section 5, for the following project:

26 D. DEPARTMENT OF TRANSPORTATION

27 Construct an overpass at Riggs Road
28 and State Route 347

29 Fund sources:

30 State h

31 E. Notwithstanding any other law, on or before June 30,

32 \$24,000,000 from the state highway fund established by section 28-6991,
33 Arizona Revised Statutes, is transferred to the state general fund for the
34 purposes of providing adequate support and maintenance for agencies of
35 this state. This amount reflects a portion of the revenues derived from
36 the tax levied by title 42, chapter 5, articles 1 and 5, Arizona Revised
37 Statutes, that were transferred to the state highway fund by Laws 2022,
38 chapter 321, section 20, subsection A, paragraph 2.

39 F. THE SUM OF \$41,400,000 IS APPROPRIATED FROM THE STATE GENERAL
40 FUND IN FISCAL YEAR 2025-2026 TO THE DEPARTMENT OF TRANSPORTATION FOR
41 RIGHT-OF-WAY ACQUISITION, UTILITY RELOCATION, NATURAL RESOURCE RECOVERY
42 AND CONSTRUCTION OF AN OVERPASS AT RIGGS ROAD AND STATE ROUTE 347.

43 **F.** G. The sum of \$49,000,000 is appropriated from the state
44 general fund in fiscal year 2027-2028 to the department of transportation
45 to construct an overpass at Riggs Road and State Route 347. Consistent

1 with this advance appropriation, the legislature intends that the overpass
2 at Riggs Road and State Route 347 be funded in fiscal year 2027-2028.

3 Sec. 4. Laws 2024, chapter 211, section 10 is amended to read:

4 Sec. 10. Appropriation reductions; appropriation; department
5 of transportation; Interstate 10; fiscal years
6 2022-2023, 2023-2024 and 2027-2028; fund balance
7 transfer

8 A. Notwithstanding any other law, the following amounts are reduced
9 from appropriations made to the following state agency in fiscal year
10 2022-2023 by Laws 2022, chapter 309, section 8, as amended by Laws 2023,
11 chapter 135, section 3, for the following project:

12 B. DEPARTMENT OF TRANSPORTATION

13 Design and construct additional vehicle
14 lanes, separated by a lighted median,
15 on Interstate 10 between State Route 85
16 and Citrus Road \$(55,910,000)

17 Fund sources:

18 State highway fund \$(55,910,000)

19 C. Notwithstanding any other law, the following amounts are reduced
20 from appropriations made to the following state agency in fiscal year
21 2023-2024 by Laws 2023, chapter 135, section 20 for the following project:

22 D. DEPARTMENT OF TRANSPORTATION

23 Design and construct additional vehicle
24 lanes, separated by a lighted median,
25 on Interstate 10 between State Route 85
26 and Citrus Road \$(52,090,000)

27 Fund sources:

28 State general fund \$(52,090,000)

29 E. Notwithstanding any other law, on or before June 30, 2024,
30 \$55,910,000 from the state highway fund established by section 28-6991,
31 Arizona Revised Statutes, is transferred to the state general fund for the
32 purposes of providing adequate support and maintenance for agencies of
33 this state. This amount reflects a portion of the revenues derived from
34 the tax levied by title 42, chapter 5, articles 1 and 5, Arizona Revised
35 Statutes, that were transferred to the state highway fund by Laws 2022,
36 chapter 321, section 20, subsection A, paragraph 2.

37 F. THE SUM OF \$27,000,000 IS APPROPRIATED FROM THE STATE GENERAL
38 FUND IN FISCAL YEAR 2025-2026, the sum of \$30,000,000 is appropriated from
39 the state general fund in fiscal year 2026-2027 and the sum of ~~\$78,000,000~~
40 \$76,000,000 is appropriated from the state general fund in fiscal year
41 2027-2028 to the department of transportation to design and construct
42 additional vehicle lanes, separated by a lighted median, on Interstate 10
43 between State Route 85 and Citrus Road.

44 Sec. 5. Repeal

45 Laws 2024, chapter 211, section 33 is repealed.

Sec. 6. Appropriations: Arizona state parks board: reductions; reversions

3 A. The following amounts are reduced from monies appropriated from
4 the state parks revenue fund established by section 41-511.21, Arizona
5 Revised Statutes, to the Arizona state parks board pursuant to Laws 2022,
6 chapter 309:

| | | |
|-----|---|----------------|
| 1. | Dead Horse Ranch state park amphitheater | \$ (210,000) |
| 2. | Southern construction services relocation | \$ (2,000,000) |
| 3. | Statewide water conservation - FY 2023 | \$ (1,339,000) |
| 4. | Statewide campground improvements | \$ (4,100,000) |
| 5. | Statewide sunshade structures | \$ (2,233,333) |
| 6. | Statewide water conservation - FY 2025 | \$ (1,339,000) |
| 7. | Yuma territorial prison renovation | \$ (5,945,000) |
| 8. | Red Rock renovation | \$ (4,000,000) |
| 9. | San Rafael renovation | \$ (1,500,000) |
| 10. | Smartphone application | \$ (535,600) |

17 B. The reductions made by subsection A of this section revert to
18 the state parks revenue fund established by section 41-511.21, Arizona
19 Revised Statutes.

20 Building Renewal

Sec. 7. Capital outlay appropriations; major maintenance and repair of state buildings

23 A. Notwithstanding section 41-793.01, Arizona Revised Statutes, the
24 amounts appropriated in this section are appropriated for fiscal year
25 2025-2026 to be used by the applicable agency for major maintenance and
26 repair activities for state buildings in accordance with title 41,
27 chapter 4, article 7, Arizona Revised Statutes.

B. DEPARTMENT OF ADMINISTRATION \$21,913,500

Fund source:

| | |
|--|--------------|
| State general fund | \$ 1,600,000 |
| Capital outlay stabilization fund | \$16,800,000 |
| Legislative, executive and judicial public buildings land fund | \$ 3,120,500 |
| Telecommunication fund for the deaf | \$ 393,000 |

The monies appropriated from the telecommunication fund for the deaf number SD1700 as established pursuant to section 35-142, Arizona Statutes, shall be used solely for building renewal at the Arizona schools for the deaf and the blind.

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

1 stabilization fund and the balance in the capital outlay stabilization
2 fund. Notwithstanding title 41, chapter 4, article 7, Arizona Revised
3 Statutes, the department of administration may use monies appropriated for
4 building renewal in fiscal year 2025-2026 for building projects related to
5 retrofitting facilities for space consolidation initiatives.

6 C. STATE DEPARTMENT OF CORRECTIONS \$ 5,864,300
7 Fund source:

8 Department of corrections building \$ 5,864,300
9 renewal fund \$ 5,864,300

10 The state department of corrections may not spend any of this
11 appropriation on personal services or overhead expenses related to
12 managing the funded projects.

13 D. ARIZONA GAME AND FISH DEPARTMENT \$ 1,815,700
14 Fund source:

15 Game and fish fund \$ 1,815,700

16 E. ARIZONA STATE LOTTERY COMMISSION \$ 218,200
17 Fund source:

18 State lottery fund \$ 218,200

19 F. DEPARTMENT OF TRANSPORTATION \$23,385,300
20 Fund sources:

21 State highway fund \$ 22,990,400

22 State aviation fund \$ 394,900

23 Individual Projects

24 Sec. 8. Appropriations; state agencies and boards; capital
25 projects

26 A. The amounts appropriated in this section are appropriated for
27 fiscal year 2025-2026 to be used by the applicable agency or board for
28 individual capital projects.

29 B. STATE DEPARTMENT OF CORRECTIONS

30 Replace fire, life alarm and suppression
31 system at the Yuma state prison \$ 8,500,000

32 Fund source:

33 State general fund \$ 8,500,000

34 C. ARIZONA EXPOSITION AND STATE FAIR BOARD
35 Capital improvements \$ 3,815,100

36 Fund source:

37 Arizona exposition and state fair fund \$ 3,815,100

38 D. ARIZONA GAME AND FISH DEPARTMENT
39 1. Dam maintenance \$ 150,000

40 2. Hatchery maintenance \$ 400,000

41 3. Property maintenance \$ 300,000

42 4. Dam repairs at Black Canyon Lake

43 \$ 6,850,000
 and Fool Hollow Lake

| | | |
|----|--|---------------|
| 1 | 5. Hatchery repairs | \$ 4,700,000 |
| 2 | Fund sources: | |
| 3 | Capital improvement fund | \$ 850,000 |
| 4 | Game and fish fund | \$ 11,550,000 |
| 5 | E. DEPARTMENT OF HEALTH SERVICES | |
| 6 | 1. State hospital isolation valve installation | \$ 160,000 |
| 7 | 2. State hospital anti-ligature renovations | \$ 695,000 |
| 8 | 3. State hospital perimeter detection | |
| 9 | system replacement | \$ 83,000 |
| 10 | Fund source: | |
| 11 | Arizona state hospital land fund | \$ 938,000 |
| 12 | F. DEPARTMENT OF JUVENILE CORRECTIONS | |
| 13 | 1. Fire line booster pumps replacement | \$ 536,600 |
| 14 | 2. School door and lock replacements at | |
| 15 | Adobe Mountain school | \$ 303,000 |
| 16 | 3. School kitchen air unit replacements at | |
| 17 | Adobe Mountain school | \$ 641,000 |
| 18 | Fund sources: | |
| 19 | Criminal justice enhancement fund | \$ 1,361,900 |
| 20 | Department of juvenile corrections | |
| 21 | local cost sharing fund | \$ 118,700 |
| 22 | G. ARIZONA STATE PARKS BOARD | |
| 23 | 1. Capital improvements | \$ 3,633,300 |
| 24 | 2. Verde River state park construction | \$ 500,000 |
| 25 | Fund source: | |
| 26 | State general fund | \$ 500,000 |
| 27 | State parks revenue fund | \$ 3,633,300 |
| 28 | H. ARIZONA PIONEERS' HOME | |
| 29 | 1. Capital improvements | \$ 470,400 |
| 30 | 2. Facility window and door replacements | \$ 1,515,000 |
| 31 | Fund source: | |
| 32 | Miners' hospital for miners with | |
| 33 | disabilities land fund | \$ 1,985,400 |
| 34 | I. DEPARTMENT OF PUBLIC SAFETY | |
| 35 | 1. Replace office buildings in | |
| 36 | Payson and Sanders | \$ 2,000,000 |
| 37 | 2. Upgrade electrical system at the department | |
| 38 | headquarters in Phoenix | \$ 11,227,100 |
| 39 | Fund source: | |
| 40 | State general fund | \$ 13,227,100 |
| 41 | J. DEPARTMENT OF TRANSPORTATION | |
| 42 | 1. Improvements to vehicle repair shop in Avondale | \$ 6,951,000 |
| 43 | 2. Construct new maintenance offices in | |
| 44 | Little Antelope and Gray Mountain | \$ 6,861,000 |

10 K. DEPARTMENT OF VETERANS' SERVICES
11 Replace HVAC at the Tucson veterans' home \$ 2,400,000

12 Fund source:

13 State general fund \$ 2,400,000

14 The monies appropriated to the department of veterans' services to
15 replace the HVAC at the Tucson veterans' home revert to the state general
16 fund on June 30, 2026 if the department is not awarded a federal grant for
17 the project. The department may apply for federal grant monies for the
18 HVAC replacement project prior to review by the joint committee on capital
19 review.

20 Department of Transportation Statewide Highway Construction

21 Sec. 9. Appropriations; department of transportation; highway
22 projects

23 A. The following amounts are appropriated from the state general
24 fund in fiscal year 2025-2026 to the department of transportation for the
25 following highway projects:

1. Improve intersection on State Route 347

27 at Casa Blanca Road and Cement
28 Plant Access Road

\$ 10,839,000

29 2. Design to widen lanes along State
30 Route 347 between Interstate 10

\$ 1,500,000

31 and the city of Maricopa
32 3. Design an additional right-hand
33 shoulder. The shoulder

33 turn lane on northbound State Route
34 87 and State Route 260 near Payson
35 4. Distribute to the city of Flagstaff.

\$ 2,129,800

35 4. Distribute to the city of Flagstaff to
36 design and construct a traffic light
37 signal at the intersection of Woody
38 Mountain Road and U.S. Route 66.

\$ 1 900 000

38 Mountain Road and US Route 66 \$ 1,500,000
39 The department of transportation shall submit an intergovernmental
40 agreement to the city of Flagstaff to design and construct a traffic light
41 signal at the intersection of Woody Mountain Road and US Route 66 on or
42 before September 15, 2025. If the city of Flagstaff agrees to the
43 intergovernmental agreement, the monies appropriated in this paragraph to
44 design and construct a traffic light signal at the intersection of Woody

1 Mountain Road and US Route 66 shall be distributed to the city of
2 Flagstaff on or before November 1, 2025.

5. Construct safety improvements along State Route 70 from mile post 255 to mile post 301 near San Carlos Apache reservation \$ 1,400,000

6. Distribute to the city of Bullhead City for Hancock Road improvements \$ 1,500,000

9 The department of transportation shall submit an intergovernmental
10 agreement to the city of Bullhead City for Hancock Road improvements on or
11 before September 15, 2025. If the city of Bullhead City agrees to the
12 intergovernmental agreement, the monies appropriated in this paragraph for
13 Hancock Road improvements shall be distributed to the city of Bullhead
14 City on or before November 1, 2025.

7. Distribute to Mohave county for Mountain

[View Road improvements](#) \$ 1,000,000

17 The department of transportation shall submit an intergovernmental
18 agreement to Mohave county for Mountain View Road improvements on or
19 before September 15, 2025. If Mohave county agrees to the
20 intergovernmental agreement, the monies appropriated in this paragraph for
21 Mountain View Road improvements shall be distributed to Mohave county on
22 or before November 1, 2025.

8. Distribute to the Prescott regional airport for infrastructure supporting firefighting aircraft

26 The department of transportation shall submit an intergovernmental
27 agreement to the Prescott regional airport for infrastructure supporting
28 firefighting aircraft on or before September 15, 2025. If the Prescott
29 regional airport agrees to the intergovernmental agreement, the monies
30 appropriated in this paragraph for infrastructure supporting firefighting
31 aircraft shall be distributed to the Prescott regional airport on or
32 before November 1, 2025.

9. Distribute to the Prescott regional airport for maintenance and operations

35 The department of transportation shall submit an intergovernmental
36 agreement to the Prescott regional airport for maintenance and operations
37 on or before September 15, 2025. If the Prescott regional airport agrees
38 to the intergovernmental agreement, the monies appropriated in this
39 paragraph for maintenance and operations shall be distributed to the
40 Prescott regional airport on or before November 1, 2025.

10. Distribute to Yuma county for bridge replacement project on Somerton Avenue between West County 10th Street and West County 11th Street

\$ 1,300,000

1 The department of transportation shall submit an intergovernmental
2 agreement to Yuma county for the bridge replacement project on Somerton
3 Avenue between West County 10th Street and West County 11th Street on or
4 before September 15, 2025. If Yuma county agrees to the intergovernmental
5 agreement, the monies appropriated in this paragraph for the bridge
6 replacement project on Somerton Avenue between West County 10th Street and
7 West County 11th Street shall be distributed to Yuma county on or before
8 November 1, 2025.

9 11. Install traffic control systems along
10 State Route 389 near Colorado City \$ 1,500,000
11 12. Distribute to the city of Kingman for
12 Eastern Street infrastructure improvements \$ 1,500,000

13 The department of transportation shall submit an intergovernmental
14 agreement to the city of Kingman for the Eastern Street infrastructure
15 improvements project on or before September 15, 2025. If the city of
16 Kingman agrees to the intergovernmental agreement, the monies appropriated
17 in this paragraph for the Eastern Street infrastructure improvements
18 project shall be distributed to the city of Kingman on or before November
19 1, 2025.

20 13. Distribute to the city of Nogales for
21 improvements to Frank Reed Road \$ 1,500,000

22 The department of transportation shall submit an intergovernmental
23 agreement to the city of Nogales for improvements to Frank Reed Road on or
24 before September 15, 2025. If the city of Nogales agrees to the
25 intergovernmental agreement, the monies appropriated in this paragraph for
26 improvements to Frank Reed Road shall be distributed to the city of
27 Nogales on or before November 1, 2025.

28 14. Distribute to the city of Nogales for
29 improvements to Industrial Park Road \$ 2,900,000

30 The department of transportation shall submit an intergovernmental
31 agreement to the city of Nogales for improvements to Industrial Park Road
32 on or before September 15, 2025. If the city of Nogales agrees to the
33 intergovernmental agreement, the monies appropriated in this paragraph for
34 improvements to Industrial Park Road shall be distributed to the city of
35 Nogales on or before November 1, 2025.

38 The department of transportation shall submit an intergovernmental
39 agreement to the city of Nogales for improvements to La Quinta Road on or
40 before September 15, 2025. If the city of Nogales agrees to the
41 intergovernmental agreement, the monies appropriated in this paragraph for
42 improvements to La Quinta Road shall be distributed to the city of Nogales
43 on or before November 1, 2025.

16. Distribute to the city of Cottonwood for
Main Street preservation and sidewalk
Improvements \$ 1,000,000

The department of transportation shall submit an intergovernmental agreement to the city of Cottonwood for Main Street preservation and sidewalk improvements on or before September 15, 2025. If the city of Cottonwood agrees to the intergovernmental agreement, the monies appropriated in this paragraph shall be distributed to the city of Cottonwood on or before November 1, 2025.

17. Distribute to the city of Glendale for
the 75th Avenue reconstruction project \$ 3,000,000

The department of transportation shall submit an intergovernmental agreement to the city of Glendale for the 75th Avenue reconstruction project on or before September 15, 2025. If the city of Glendale agrees to the intergovernmental agreement, the monies appropriated in this paragraph shall be distributed to the city of Glendale on or before November 1, 2025.

18. Design traffic interchange and connecting
arterial roadways at State Route 303
and 155th Avenue \$ 3,500,000

The legislature intends that a local government or council of government entity contribute \$900,000 in matching monies to the project described in this paragraph. The department may not expend any monies appropriated in this paragraph until the department can confirm the matching commitment to the project.

19. Design the repaving of Olga Frontage Road
between mile post 366 and mile post 379 \$ 850,000

Sec. 10. Supplemental appropriation: department of transportation; town of Patagonia; highway project use

In addition to the use prescribed in Laws 2023, chapter 135, section 10, subsection A, paragraph 10, as amended by Laws 2024, chapter 211, section 1, the town of Patagonia may use monies distributed to the town by the department of transportation to reconstruct McKeown Avenue between Third Avenue West and State Route 82.

Sec. 11. Appropriation: department of transportation; statewide highway construction; reports; exemption

A. The amount appropriated in this section is appropriated for fiscal year 2025-2026 to plan and construct state highways, including the national system of interstate highways within this state, the state primary or secondary system, the county primary or secondary system and urban rural routes, to acquire rights-of-way and to provide for the cost of contracted field administration and field engineering on construction projects and debt service payments on bonds issued for highway construction.

9 C. On or before November 1, 2025, the department of transportation
10 shall report to the directors of the joint legislative budget committee
11 and the governor's office of strategic planning and budgeting on its
12 actual prior year, estimated current year and upcoming budget year highway
13 construction expenses from all fund sources, including appropriated
14 monies, federal monies, local agency monies, state highway monies, bond
15 proceeds and regional area road monies. The report shall be in the same
16 format as in the prior year unless the directors of the joint legislative
17 budget committee and the governor's office of strategic planning and
18 budgeting have approved modifications to the format.

19 D. On or before November 1, 2025, the department of transportation
20 shall report capital outlay information for fiscal years 2024-2025,
21 2025-2026 and 2026-2027, to the directors of the joint legislative budget
22 committee and the governor's office of strategic planning and budgeting.
23 This information shall appear in the same format as tables three, four and
24 seven, as found in the fiscal year 2024-2025 appropriations report.

25 E. On or before November 1, 2025, the department of transportation
26 shall report the department's estimated outstanding debt principal balance
27 at the end of fiscal year 2026-2027 and the estimated debt service payment
28 amount for each of fiscal years 2026-2027, 2027-2028, 2028-2029 and
29 2029-2030, to the directors of the joint legislative budget committee and
30 the governor's office of strategic planning and budgeting. This report
31 shall include state highway fund statewide construction bonds, Arizona
32 highway user revenue fund bonds, Maricopa association of governments and
33 Pima association of governments controlled access bonds, Maricopa regional
34 area road fund bonds and grant anticipation notes and is intended to be
35 comparable to the information in the fiscal year 2024-2025 appropriations
36 report.

37 F. Notwithstanding section 41-1252, Arizona Revised Statutes, the
38 appropriation made in this section is not subject to review by the joint
39 committee on capital review.

40 Department of Transportation Airport Planning and Development

41 Sec. 12. Appropriation: department of transportation: airport
42 planning and development: report: exemption

43 A. The amount appropriated in this section is appropriated in
44 fiscal year 2025-2026 to plan, construct, develop and improve state,

1 county, city or town airports as determined by the state transportation
2 board.

4 Fund source:

5 State aviation fund \$ 44,340,700

6 Any balances and collections in the state aviation fund established
7 by section 28-8202, Arizona Revised Statutes, that exceed the specific
8 amounts appropriated in the general appropriations act and in this act are
9 appropriated to the department of transportation in fiscal year 2025-2026
10 for the purposes provided in this section.

11 C. On or before December 31, 2025, the department of transportation
12 shall report to the joint legislative budget committee staff on the status
13 of all aviation grant awards and aviation grant distributions. The report
14 shall delineate projects by individual airport and fiscal year, including
15 any future year commitments.

16 D. Notwithstanding section 41-1252, Arizona Revised Statutes, the
17 appropriation made in this section is not subject to review by the joint
18 committee on capital review.

19 Sec. 13. Joint committee on capital review: projects:
20 favorable review

21 The following projects are deemed to have been favorably reviewed by
22 the joint committee on capital review:

23 1. \$1,200,000 for the following Arizona exposition and state fair
24 board capital projects:

25 (a) Replacing asphalt in the Arizona veterans memorial coliseum's
26 north parking lot.

27 (b) Replacing the Arizona veterans memorial coliseum's sundeck
28 walking surface.

29 2. \$2,458,000 for the following Arizona game and fish department
30 capital projects:

31 (a) Replacing the sewer system at the Ben Avery shooting facility.
32 (b) Constructing new bison-proof fencing in the House Rock Wildlife
33 area near the north rim of the Grand Canyon in Coconino county.

34 (c) Constructing a well to irrigate fields that grow feed for
35 wildlife at Quigley-Achee Wildlife area near Roll in Yuma county.

36 (d) Replacing water heaters with tankless systems at Horseshoe
37 Ranch.

38 (e) Upgrading the electrical circuits at the Horseshoe Ranch barn.

39 3. \$1,409,700 to the department of transportation for a transfer
40 from two projects, \$500,000 from an interchange design at the State Route
41 303 and Interstate 17 project and \$909,700 from construction of a screen
42 wall along the Loop 101 near 16th Street project, to fund a project
43 shortfall for construction of a roundabout at the intersection of State
44 Route 69 and State Route 169 in Prescott Valley.

1 Sec. 14. Appropriation: vehicle fueling stations: exemption
2 from lapsing

3 The appropriation of \$1,800,000 to the department of transportation
4 for replacing vehicle fueling facilities in Flagstaff, Holbrook and
5 Kingman made by Laws 2021, chapter 406, section 31 in fiscal year
6 2021-2022 is exempt from the provisions of section 35-190, Arizona Revised
7 Statutes, relating to lapsing of appropriations, until June 30, 2027.

8 Sec. 15. Use of appropriations

9 A. The department of administration may spend up to five percent of
10 the amounts appropriated to the department in this act, excluding amounts
11 to be distributed to nonstate agencies, for expenditures for project
12 management of building renewal and capital projects. All other monies
13 appropriated to the department in this act may not be spent for personal
14 services or employee-related expenditures or for maintenance contracts on
15 building components and equipment without review by the joint committee on
16 capital review.

17 B. Except as provided in subsection A of this section, the monies
18 appropriated in this act may not be spent for personal services or
19 employee-related expenditures of state employees, excluding any services
20 provided as part of the inmate construction program for correctional
21 facilities.

APPROVED BY THE GOVERNOR JUNE 27, 2025.

FILED IN THE OFFICE OF THE SECRETARY OF STATE JUNE 27, 2025.