

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	
2		between Campus Drive and the U.S. Border	
3		Patrol Station in Huachuca City	\$38,620,000
4	12.	Rehabilitate pavement along United States	
5		Route 191 between Mile Post 163 and	
6		Mile Post 173	\$22,152,000
7	13.	Design and construct a screen wall along	
8		Loop 101 between 51st Avenue and	
9		59th Avenue	\$ 9,514,000
10	14.	Rehabilitate pavement along United States	
11		Route 191 between Armory Road and	
12		East Safford	<del>\$18,981,000</del>
13			\$16,481,000
14	15.	Design to improve State Route 238 between	
15		State Route 347 and Green Road	\$ 800,000
16	16.	Design work for State Route 303	
17		Improvements from Interstate 17	
18		to Lake Pleasant Parkway	\$ 4,000,000
19	17.	Design work for the interchange at	
20		State Route 303 and Interstate 17	\$19,000,000
21	18.	Design to widen lanes along State	
22		Route 347 between Interstate 10	
23		and city of Maricopa	\$19,000,000
24	19.	Assess intersection on State	
25		Route 389 at Arizona Avenue	\$ 100,000
26	20.	Distribute to the northern Arizona	
27		intergovernmental public	
28		transportation authority for	
29		capital costs of the Flagstaff	
30		downtown connection center	\$ 6,000,000
31	21.	Install lighting on the Sentinel exit	
32		in Gila Bend	\$ 1,085,000
33	22.	Conduct a tier 2 study for the	
34		North-South Corridor in Pinal county	\$15,000,000
35	23.	Conduct a tier 2 study for the Sonoran	
36		Corridor in Pima county	\$14,000,000
37	24.	Conduct a tier 2 study for Interstate 11	
38		in Maricopa county	\$25,000,000
39	25.	Design and construct a screen wall	
40		along the east side of Loop 101	
41		near 16th Street	\$ 7,250,000
42	B. Within thirty days after the last day of each calendar quarter,		
43	the department shall report to the joint legislative budget committee		
44	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  
 7 Santa Cruz county \$ 9,000,000

8 21. Distribute to the town of Cave Creek to  
 9 study the construction of expanding  
 10 lanes along Cave Creek Road between  
 11 Loop 101 and Carefree Highway \$ 250,000

12 22. Design a freeway interchange on  
 13 Interstate 10 at Jackrabbit Trail \$ 5,000,000

14 23. Distribute to the city of Phoenix to  
 15 extend 43rd Avenue between Dove  
 16 Valley Road and State Route 74 \$ 6,500,000

17 24. Design of State Route 87 intersection  
 18 improvements at Arica Road and  
 19 Shedd Road \$ 700,000

20 25. Distribute to the town of Huachuca City  
 21 for Skyline Drive reconstruction  
 22 between State Route 90 and  
 23 Huachuca City Landfill \$ 1,565,200

24 26. Distribute to the town of Huachuca City  
 25 for Skyline Pathway development along  
 26 Skyline Drive between Gila Avenue  
 27 and Edgewood Street \$ 506,000

28 27. Distribute to the town of Pinetop-Lakeside  
 29 for Porter Mountain Road improvements  
 30 in the vicinity of Blue Ridge  
 31 elementary school \$ 2,242,200

32 28. Distribute to the city of Globe for  
 33 sidewalk construction along Jesse Hayes  
 34 Road and Six Shooter Canyon Road \$ 3,501,100

35 ~~29. Distribute to the town of Payson for~~  
 36 ~~roundabout construction and~~  
 37 ~~improvements at intersection of~~  
 38 ~~Longhorn Road and McLane Road~~ ~~\$ 1,529,800~~

39 ~~30.~~ 29. Distribute to the city of Globe for  
 40 Jesse Hayes Road bridge replacement  
 41 and improvements at Pinal Creek \$ 643,200

42 ~~31.~~ 30. Distribute to the city of Globe for  
 43 Cottonwood Street bridge replacement  
 44 and improvements at Pinal Creek \$ 632,500

1	<del>32.</del>	31.	Distribute to Gila county for	
2			Houston Mesa Road improvements	
3			between State Route 260 and .4 miles	
4			south of Forest Road 198	\$ 243,600
5	<del>33.</del>	32.	Distribute to the Canyon Water improvement	
6			district to make improvements to	
7			infrastructure, including fire hydrants	
8			and other related water needs	\$ 610,000
9	<del>34.</del>	33.	Distribute to Graham county for	
10			Safford Bryce Road improvements in	
11			the vicinity of Talley Wash Crossing	\$ 1,781,500
12	<del>35.</del>	34.	Distribute to the town of Thatcher for	
13			8th Street improvements between	
14			1st Avenue and 20th Avenue	\$ 4,526,400
15	<del>36.</del>	35.	Repave U.S. Route 60 between Morristown	
16			and Wickenburg	\$10,500,000
17	<del>37.</del>	36.	Distribute to the town of Winkelman for	
18			improvements to Golf Course Road and	
19			Quarelli Street	\$ 1,560,900
20	<del>38.</del>	37.	Distribute to the town of Superior for	
21			Panther Drive bridge design and	
22			construction at Queen Creek	\$ 2,486,700
23	<del>39.</del>	38.	Improve State Route 260 within	
24			Navajo county	\$ 4,250,000
25	<del>40.</del>	39.	Distribute to the Navajo Nation for	
26			Improvements to N9402 Road near	
27			Lupton and Houck	\$10,000,000
28	<del>41.</del>	40.	Distribute to Apache county for	
29			State Route 264 turn lane construction	
30			into the Ganado senior citizens center	
31			and veterans building development area	\$ 538,700
32	<del>42.</del>	41.	Distribute to the city of Tucson for	
33			improvements to the Drexel Road	
34			bridge	\$15,000,000
35	<del>43.</del>	42.	Distribute to Santa Cruz county for	
36			improvements to traffic interchange	
37			at Interstate 19 and Rio Rico Drive	
38			and traffic interchange at	
39			Interstate 19 and Ruby Road	\$ 8,600,000

40 B. Within thirty days after the last day of each calendar quarter,  
 41 the department of transportation shall report to the joint legislative  
 42 budget committee staff the projected cost and status of the projects for  
 43 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 \$(25,000,000)

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 \$(24,000,000)

29 Fund sources:

30 State highway fund \$(24,000,000)

31 E. Notwithstanding any other law, on or before June 30, 2024,  
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

A. The following amounts are reduced from monies appropriated from the state parks revenue fund established by section 41-511.21, Arizona Revised Statutes, to the Arizona state parks board pursuant to Laws 2022, 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)

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

Building Renewal

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

A. Notwithstanding section 41-793.01, Arizona Revised Statutes, the amounts appropriated in this section are appropriated for fiscal year 2025-2026 to be used by the applicable agency for major maintenance and repair activities for state buildings in accordance with title 41, 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 index number SD1700 as established pursuant to section 35-142, Arizona Revised Statutes, shall be used solely for building renewal at the Arizona state schools for the deaf and the blind.

The department of administration shall allocate the monies to state agencies for necessary building renewal. If monies in the capital outlay stabilization fund established by section 41-792.01, Arizona Revised Statutes, are insufficient to fund the appropriation to the department of administration for building renewal, the appropriation to the department of administration is reduced by the difference between the amount 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  
 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 and Fool Hollow Lake \$ 6,850,000

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

1	3. Renovate Grand Canyon airport terminal	\$ 850,300
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2 Fund sources:

3	State highway fund	\$ 13,812,000
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4	State aviation fund	\$ 850,300
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5       The monies appropriated to the department of transportation to  
6 renovate the Grand Canyon airport terminal revert to the state aviation  
7 fund established by section 28-8202, Arizona Revised Statutes, on June 30,  
8 2026 if the department does not receive a federal aviation administration  
9 grant for the project.

10 K. DEPARTMENT OF VETERANS' SERVICES

11	Replace HVAC at the Tucson veterans' home	\$ 2,400,000
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12 Fund source:

13	State general fund	\$ 2,400,000
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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:

26 1. Improve intersection on State Route 347

27 at Casa Blanca Road and Cement

28	Plant Access Road	\$ 10,839,000
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29           2. Design to widen lanes along State

30 Route 347 between Interstate 10

31 and the city of Maricopa \$ 1,500,000

32 3. Design an additional right-hand

33 turn lane on northbound State Route

34	87 and State Route 260 near Payson	\$ 2,129,800
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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 US Route 66	\$ 1,900,000
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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.

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

7 6. Distribute to the city of Bullhead City for  
8 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.

15 7. Distribute to Mohave county for Mountain  
16 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.

23 8. Distribute to the Prescott regional airport  
24 for infrastructure supporting firefighting  
25 aircraft \$ 3,500,000

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.

33 9. Distribute to the Prescott regional airport  
34 for maintenance and operations \$ 500,000

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.

41 10. Distribute to Yuma county for bridge  
42 replacement project on Somerton Avenue  
43 between West County 10th Street and  
44 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.

36       15. Distribute to the city of Nogales for  
37             Improvements to La Quinta Road                     \$ 1,800,000

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.

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

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

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

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

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

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

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

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

31 In addition to the use prescribed in Laws 2023, chapter 135, section  
32 10, subsection A, paragraph 10, as amended by Laws 2024, chapter 211,  
33 section 1, the town of Patagonia may use monies distributed to the town by  
34 the department of transportation to reconstruct McKeown Avenue between  
35 Third Avenue West and State Route 82.

36       Sec. 11. Appropriation: department of transportation;  
37               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.



1 B. DEPARTMENT OF TRANSPORTATION \$458,770,000  
2 Fund source:  
3 State highway fund \$458,770,000  
4 Any balances and collections in the state highway fund established  
5 by section 28-6991, Arizona Revised Statutes, that exceed the specific  
6 amounts appropriated in the general appropriations act and in this act are  
7 appropriated to the department of transportation for the purposes provided  
8 in this section.  
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.

3 B. DEPARTMENT OF TRANSPORTATION \$ 44,340,700

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.