

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

CHAPTER 238
SENATE BILL 1740

AN ACT

AMENDING TITLE 3, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 3-109.04; REPEALING SECTION 3-109.04, ARIZONA REVISED STATUTES; AMENDING SECTIONS 17-269, 26-107, 37-132 AND 37-527, ARIZONA REVISED STATUTES; AMENDING SECTION 37-1311, ARIZONA REVISED STATUTES, AS ADDED BY LAWS 2025, CHAPTER 167, SECTION 2; AMENDING TITLE 45, CHAPTER 1, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 45-119; REPEALING LAWS 2023, CHAPTER 138, SECTION 2; AMENDING LAWS 2023, CHAPTER 138, SECTION 3, AS AMENDED BY LAWS 2024, CHAPTER 214, SECTION 5; AMENDING LAWS 2025, CHAPTER 56, SECTIONS 1 AND 2; APPROPRIATING MONIES; RELATING TO THE ENVIRONMENT.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 3, chapter 1, article 1, Arizona Revised Statutes,
3 is amended by adding section 3-109.04, to read:

4 3-109.04. Agriculture and water innovation fund pilot
5 program; fund; grants; requirements; annual
6 report; definitions

7 A. THE AGRICULTURE AND WATER INNOVATION FUND PILOT PROGRAM IS
8 ESTABLISHED TO PROVIDE GRANTS AND COLLECT DATA FOR WATER-FOCUSED
9 INNOVATION IN AGRICULTURE. THE DEPARTMENT SHALL ADMINISTER THE PILOT
10 PROGRAM.

11 B. THE AGRICULTURE AND WATER INNOVATION FUND IS ESTABLISHED
12 CONSISTING OF LEGISLATIVE APPROPRIATIONS, GRANTS FROM FEDERAL AGENCIES AND
13 MONIES APPROPRIATED BY ANY OTHER LAWFUL SOURCE. MONIES IN THE FUND ARE
14 CONTINUOUSLY APPROPRIATED AND EXEMPT FROM THE PROVISIONS OF SECTION 35-190
15 RELATING TO LAPSING OF APPROPRIATIONS. THE DEPARTMENT SHALL ADMINISTER
16 THE FUND AND MAY USE NOT MORE THAN TEN PERCENT OF THE MONIES IN THE FUND
17 ANNUALLY FOR THE COSTS OF ADMINISTERING THE FUND AND THE AGRICULTURE AND
18 WATER INNOVATION FUND PILOT PROGRAM.

19 C. THE DEPARTMENT MAY GRANT MONIES FROM THE FUND TO QUALIFIED
20 APPLICANTS TO ACQUIRE OR CONTRACT FOR IMPLEMENTING INNOVATIVE TECHNOLOGY
21 THAT IMPROVES WATER USE EFFICIENCY BY IMPROVING SOIL HEALTH.

22 D. AS A CONDITION OF THE GRANT, THE DEPARTMENT SHALL REQUIRE THE
23 QUALIFIED APPLICANT TO:

24 1. CERTIFY THE INSTALLATION OF THE NEW INNOVATIVE TECHNOLOGY.

25 2. REPORT ON THE INDIVIDUAL FIELDS THAT RECEIVE THE BENEFIT OF THE
26 GRANT MONIES TO DEMONSTRATE INCREASED WATER USE EFFICIENCY ON THE AFFECTED
27 FIELDS.

28 E. ON OR BEFORE DECEMBER 31 OF EACH YEAR, THE DEPARTMENT SHALL
29 SUBMIT A WRITTEN REPORT TO THE PRESIDENT OF THE SENATE AND THE SPEAKER OF
30 THE HOUSE OF REPRESENTATIVES DESCRIBING THE ACTIVITIES OF THE DEPARTMENT
31 FOR THE PRECEDING FISCAL YEAR RELATED TO THE AGRICULTURE AND WATER
32 INNOVATION FUND AND SHALL PROVIDE A COPY OF THE REPORT TO THE SECRETARY OF
33 STATE. THE REPORT SHALL INCLUDE AN ACCOUNTING OF EXPENDITURES FROM THE
34 FUND AND HOW THE MONIES WERE USED TO IMPROVE WATER EFFICIENCY AND SOIL
35 HEALTH.

36 F. FOR THE PURPOSES OF THIS SECTION:

37 1. "INNOVATIVE TECHNOLOGY" MEANS PRODUCTS OR SERVICES THAT IMPROVE
38 WATER USE EFFICIENCY BY IMPROVING SOIL HEALTH IN AGRICULTURE WITHOUT
39 REQUIRING NONNATIVE SOIL AMENDMENTS OR IMPROVEMENTS TO IRRIGATION
40 INFRASTRUCTURE.

41 2. "QUALIFIED APPLICANT" MEANS EITHER OF THE FOLLOWING:

42 (a) AN AGRICULTURAL LANDOWNER, BENEFICIAL OWNER OF TRUST LAND OR
43 LESSEE OF AGRICULTURAL LAND THAT HAS ACTIVELY FARMED THE LAND OR COMMITTED
44 THE LAND TO INTENTIONAL WATER CONSERVATION IN THREE OF THE FIVE CALENDAR
45 YEARS IMMEDIATELY PRECEDING THE DATE OF THE APPLICATION.

1 (b) AN IRRIGATION DISTRICT ESTABLISHED PURSUANT TO TITLE 48,
2 CHAPTER 19 THAT APPLIES FOR THE BENEFIT OF MEMBERS OF THE IRRIGATION
3 DISTRICT.

4 Sec. 2. Delayed repeal

5 Section 3-109.04, Arizona Revised Statutes, as added by this act, is
6 repealed from and after December 31, 2028.

7 Sec. 3. Section 17-269, Arizona Revised Statutes, is amended to
8 read:

9 17-269. Game and fish publications revolving fund

10 ~~A~~ THE game and fish publications revolving fund is established
11 consisting of monies received from the sale of publications pursuant to
12 section 17-231, subsection B, paragraph 9. The monies in the fund are
13 appropriated to the department to produce and distribute department
14 publications and information. Monies in the game and fish publications
15 revolving fund that at any time are in excess of ~~eighty thousand dollars~~
16 \$250,000 shall immediately revert to the game and fish fund. Monies in
17 the game and fish publications revolving fund up to an amount of ~~eighty~~
18 ~~thousand dollars~~ \$250,000 are exempt from the provisions of section 35-190
19 relating to lapsing of appropriations.

20 Sec. 4. Section 26-107, Arizona Revised Statutes, is amended to
21 read:

22 26-107. Hazard mitigation revolving fund

23 The hazard mitigation revolving fund is established consisting of
24 monies appropriated by the legislature and monies received from the
25 federal government. Monies in the fund are continuously appropriated.
26 The department of emergency and military affairs shall administer the
27 fund. Monies in the fund ~~may~~ SHALL be used ~~in fiscal years 2023-2024,~~
28 ~~2024-2025, 2025-2026, 2026-2027 and 2027-2028~~ in accordance with the
29 guidelines established pursuant to the safeguarding tomorrow through
30 ongoing risk mitigation act (P.L. 116-284; 134 Stat. 4869).

31 Sec. 5. Section 37-132, Arizona Revised Statutes, is amended to
32 read:

33 37-132. Powers and duties

34 A. The commissioner shall:

35 1. Exercise and perform all powers and duties vested in or imposed
36 on the department and prescribe such rules as are necessary to discharge
37 those duties.

38 2. Exercise the powers of surveyor-general except for the powers of
39 the surveyor-general exercised by the STATE treasurer as a member of the
40 selection board pursuant to section 37-202.

41 3. Make long-range plans for the future use of state lands in
42 cooperation with other state agencies, local planning authorities and
43 political subdivisions.

1 4. Promote the infill and orderly development of state lands in
2 areas beneficial to the trust and prevent urban sprawl or leapfrog
3 development on state lands.

4 5. Classify and appraise all state lands, together with the
5 improvements on state lands, for the purpose of sale, lease or grant of
6 rights-of-way. The commissioner may impose such conditions and covenants
7 and make such reservations in the sale of state lands as the commissioner
8 deems to be in the best interest of the state trust. The provisions of
9 this paragraph are subject to hearing procedures pursuant to title 41,
10 chapter 6, article 10 and, except as provided in section 41-1092.08,
11 subsection H, are subject to judicial review pursuant to title 12, chapter
12 7, article 6.

13 6. Have authority to lease for grazing, agricultural, homesite or
14 other purposes, except commercial, all land owned or held in trust by this
15 state.

16 7. Have authority to lease for commercial purposes and sell all
17 land owned or held in trust by this state, but any such lease for a term
18 longer than ten years for commercial purposes or any such sale shall first
19 be approved by the board of appeals.

20 8. Except as otherwise provided, determine all disputes, grievances
21 or other questions pertaining to the administration of state lands.

22 9. Appoint deputies and other assistants and employees necessary to
23 perform the duties of the department and assign their duties subject to
24 title 41, chapter 4, article 4 and require of them such surety bonds as
25 the commissioner deems proper. The compensation of the deputy, assistants
26 or employees shall be as determined pursuant to section 38-611.

27 10. Make a written report to the governor annually, not later than
28 September 1, disclosing in detail the activities of the department for the
29 preceding fiscal year and publish it for distribution. The report shall
30 include an evaluation of auctions of state land leases held during the
31 preceding fiscal year considering the advantages and disadvantages to the
32 state trust of the existence and exercise of preferred rights to lease
33 reclassified state land.

34 11. Withdraw state land from surface or subsurface sales or lease
35 applications if the commissioner deems it to be in the best interest of
36 the trust. This closure of state lands to new applications for sale or
37 lease does not affect the rights that existing lessees have under law for
38 renewal of their leases and reimbursement for improvements.

39 B. The commissioner may:

40 1. Take evidence relating to, and may require of the various county
41 officers information on, any matter that the commissioner has the power to
42 investigate or determine.

43 2. Under such rules as the commissioner adopts, use private real
44 estate brokers to assist in any sale or long-term lease of state land and
45 pay, from fees collected under section 37-107, subsection B, paragraph 1,

1 a commission to a broker that is licensed pursuant to title 32, chapter 20
2 and that provides the purchaser or lessee at auction. The purchaser or
3 lessee at auction is not eligible to receive a commission pursuant to this
4 ~~subsection~~ PARAGRAPH. A commission shall not be paid on a sale or a
5 long-term lease if the purchaser or lessee is a political subdivision of
6 this state.

7 3. Require a permittee, lessee or grantee to post a surety bond or
8 any form of collateral deemed sufficient by the commissioner for
9 performance or restoration purposes. The commissioner shall use the
10 proceeds of a bond or collateral only for the purposes determined at the
11 time the bond or collateral is posted. For agricultural lessees, the
12 commissioner may require collateral as follows:

13 (a) As security for payment of the annual assessments levied by the
14 irrigation district in which the state land is located if the lessee has a
15 history of late payments or defaults. The amount of the collateral
16 required may not exceed the annual assessment levied by the irrigation
17 district.

18 (b) As security for payment of rent, if an extension of time for
19 payment is requested or if the lessee has a history of late payments of
20 rent. The collateral shall be submitted at the time any extension of time
21 for payment is requested. The amount of the collateral required may not
22 exceed the annual amount of rent for the land.

23 (c) A surety bond shall be required only if the commissioner
24 determines that other forms of collateral are insufficient.

25 4. Withhold market and economic analyses, preliminary engineering,
26 site and area studies and appraisals that are collected during the urban
27 planning process from public viewing before they are submitted to local
28 planning and zoning authorities.

29 5. Withhold from public inspection proprietary information received
30 during lease negotiations. The proprietary information shall be released
31 to public inspection unless the release may harm the competitive position
32 of the applicant and the information could not have been obtained by other
33 legitimate means.

34 6. Issue permits for short-term use of state land for specific
35 purposes as prescribed by rule.

36 7. Contract with a third party to sell recreational permits. A
37 third party under contract pursuant to this paragraph may assess a
38 surcharge for its services as provided in the contract, in addition to the
39 fees prescribed pursuant to section 37-107.

40 8. Close urban lands to specific uses as prescribed by rule if
41 necessary for dust abatement, to reduce a risk from hazardous
42 environmental conditions that pose a risk to human health or safety or for
43 remediation purposes.

1 9. Notwithstanding subsection A, paragraph 4 of this section,
2 authorize, in the best interest of the trust, the extension of public
3 services and facilities either:

4 (a) That are necessary to implement plans of the local governing
5 body, including plans adopted or amended pursuant to section 9-461.06 or
6 11-805.

7 (b) Across state lands that are either:

8 (i) Classified as suitable for conservation **PURPOSES** pursuant to
9 section 37-312.

10 (ii) Sold or leased at auction for conservation purposes.

11 **10. CONTRACT WITH A QUALIFIED THIRD-PARTY REVIEWER THAT IS SELECTED**
12 **BY THE COMMISSIONER TO REVIEW ANY APPLICATION SUBMITTED TO THE DEPARTMENT**
13 **IF THE COMMISSIONER DETERMINES THAT THE DEPARTMENT WILL NOT BE ABLE TO**
14 **TAKE ACTION ON THE APPLICATION WITHIN SIXTY WORKING DAYS AFTER THE**
15 **APPLICATION IS SUBMITTED TO THE DEPARTMENT. A THIRD-PARTY REVIEWER THAT**
16 **REVIEWES AN APPLICATION PURSUANT TO THIS PARAGRAPH SHALL DO BOTH OF THE**
17 **FOLLOWING:**

18 (a) **REVIEW THE APPLICATION AND TAKE ALL OTHER RELATED ACTIONS IN**
19 **ACCORDANCE WITH ALL REQUIREMENTS THAT ARE ADOPTED BY THE DEPARTMENT.**

20 (b) **NOTIFY THE DEPARTMENT AND THE APPLICANT OF THE FINDINGS OF THE**
21 **REVIEW.**

22 C. The commissioner or any deputy or employee of the department may
23 not have, own or acquire, directly or indirectly, any state lands or the
24 products on any state lands, any interest in or to such lands or products,
25 or improvements on leased state lands, or be interested in any state
26 irrigation project affecting state lands.

27 Sec. 6. Section 37-527, Arizona Revised Statutes, is amended to
28 read:

29 **37-527. Trust land management fund**

30 A. The trust land management fund is established. The fund
31 consists of up to ten ~~per cent~~ **PERCENT** of the annual proceeds of:

32 1. Each beneficiary's trust lands granted to this state by the
33 United States.

34 2. All sales of timber, mineral, gravel or other natural products
35 or property from each beneficiary's trust lands granted to this state by
36 the United States.

37 B. The commissioner shall determine the percentage of trust land
38 proceeds to be deposited in the fund each fiscal year. The percentage
39 shall be the same for all beneficiaries. The commissioner shall notify
40 the joint legislative budget committee and the governor's office of
41 strategic planning and budgeting of the determination on or before
42 September 1 of the preceding fiscal year.

43 C. The monies in the fund:

44 1. Are subject to legislative appropriation. **THE DEPARTMENT MAY**
45 **RETAIN AN AMOUNT OF MONIES FROM THE FUND THAT IS SUFFICIENT TO PAY THE**

1 DEPARTMENT'S COSTS FOR CONTRACTING WITH A QUALIFIED THIRD-PARTY REVIEWER
2 AS PRESCRIBED IN SECTION 37-132, SUBSECTION A, PARAGRAPH 12.

3 2. Shall be used exclusively to manage trust lands as prescribed by
4 law.

5 D. The commissioner shall administer the fund. On notice from the
6 commissioner, the state treasurer shall invest and divest monies in the
7 fund as provided by section 35-313, and monies earned from investment
8 shall be credited to the fund.

9 E. Monies in the fund are exempt from the provisions of section
10 35-190 relating to lapsing of appropriations, but if the balance in the
11 fund at the end of any fiscal year exceeds two times the budget of the
12 department for the management of trust lands for the next fiscal year, the
13 excess amount shall be credited proportionately to the several permanent
14 funds based on the last fiscal year's deposits.

15 F. This section does not prevent the legislature from appropriating
16 state general fund monies for the purposes described in this section.

17 Sec. 7. Section 37-1311, Arizona Revised Statutes, as added by Laws
18 2025, chapter 167, section 2, is amended to read:

19 37-1311. Wildfire mitigation plan; hearing; rules; fees;
20 definitions

21 A. The state forester shall review and approve a submitted wildfire
22 mitigation plan if the state forester finds that the wildfire mitigation
23 plan:

24 1. Complies with title 30, chapter 7, article 1 or title 40,
25 chapter 8, article 1 and any other applicable rules.

26 2. Is reasonable considering the public power entity's or electric
27 utility's size and resources.

28 3. Is in the public interest.

29 4. Meets the requirements of subsection H of this section.

30 5. Is designed to meet the specific conditions and risk of the
31 public power entity's or electric utility's service area in which the
32 public power entity or the electric utility operates.

33 B. The state forester shall provide public notice and an
34 opportunity for public comment on a submitted wildfire mitigation plan.
35 The state forester shall publish the notice on the Arizona department of
36 forestry and fire management's website and in the Arizona administrative
37 register.

38 C. Within fourteen days after receiving a submitted wildfire
39 mitigation plan, the state forester shall:

40 1. Identify the counties and cities and towns that are located
41 within the geographic region as described in the public power entity's or
42 electric utility's wildfire mitigation plan.

43 2. Establish the time period and instructions for the affected
44 counties and cities and towns to provide public comment.

1 3. Provide the information prescribed in paragraphs 1 and 2 of this
2 subsection to the public power entity or electric utility.

3 D. Within ten days after receipt of the information prescribed in
4 subsection C of this section, the public power entity or electric utility
5 shall provide written notice to the identified counties and cities and
6 towns of the opportunity to provide comment on the wildfire mitigation
7 plan.

8 E. Within forty-five days after receipt of any wildfire mitigation
9 plan, the state forester shall hold a public meeting to solicit comments
10 on any proposed wildfire mitigation plan. The state forester shall
11 provide for remote attendance at the public meeting using telephonic or
12 video conferencing.

13 F. The state forester may request additional information or request
14 modification to the submitted wildfire mitigation plan within one hundred
15 twenty days after the initial receipt of the wildfire mitigation plan by
16 providing written notice to the public power entity or electric utility.
17 If the state forester does not request additional information or a
18 modification to the wildfire mitigation plan, the wildfire mitigation plan
19 is deemed administratively approved after the one hundred twenty-day
20 review period.

21 G. Within ninety days after receipt of the notice prescribed in
22 subsection F of this section, the public power entity or electric utility
23 shall respond to the state forester's request for information and, if
24 necessary, may revise the wildfire mitigation plan. The state forester
25 shall have sixty days after receipt of the responses or a revised wildfire
26 mitigation plan, whichever is later, to consider the approval or denial of
27 the wildfire mitigation plan. If the state forester does not request
28 further additional information or a modification to the wildfire
29 mitigation plan, the wildfire mitigation plan is deemed administratively
30 approved at the expiration of sixty days. The wildfire mitigation plan is
31 deemed approved during the pendency of any judicial action pursuant to
32 title 12, chapter 7, article 6 that seeks review of the state forester's
33 approval or denial of the wildfire mitigation plan or any portion of the
34 wildfire mitigation plan.

35 H. The wildfire mitigation plan shall do the following:

36 1. Identify Preventive actions, protective equipment and monitoring
37 programs that the public power entity or electric utility will carry out,
38 install, repair, replace or implement to minimize the risk of a wildfire.

39 2. Include:

40 (a) A description of areas within the geographic region where the
41 public power entity's or electric utility's facilities may be subject to a
42 heightened risk of wildfire.

43 (b) A description of the procedures, standards and time frames that
44 the public power entity or electric utility will use to inspect and

1 operate the public power entity's or electric utility's infrastructure to
2 mitigate the risk of wildfires.

3 (c) A description of the key individuals or position titles of
4 those persons who are responsible for implementing the wildfire mitigation
5 plan.

6 (d) A description of the procedures for deenergizing power lines
7 and disabling reclosers to mitigate potential wildfires or provide a
8 public safety power ~~shut-off~~ SHUTOFF plan.

9 (e) A description of the procedures, standards and time frames that
10 the public power entity or electric utility will use to carry out
11 vegetation management.

12 (f) A summary of the procedures the public power entity or electric
13 utility intends to use to restore the public power entity's or electric
14 utility's electrical system in the event of a wildfire.

15 (g) A description of community outreach and public awareness
16 efforts.

17 (h) A description of potential participation, if applicable, with
18 state or local wildfire protection efforts.

19 (i) A description of how the public power entity or electric
20 utility will monitor compliance with the wildfire mitigation plan.

21 I. A public power entity or electric utility may reference
22 procedures and standards that are not specifically enumerated in the
23 wildfire mitigation plan in lieu of the requirements prescribed in
24 subsection H of this section. Referenced material shall be included as
25 attachments to the wildfire mitigation plan submission.

26 J. During the pendency of any review and approval process by the
27 state forester prescribed in this section, any wildfire mitigation plan
28 previously approved by the state forester shall remain approved and in
29 effect.

30 K. The state forester may adopt rules to implement this section.

31 L. Any action by the state forester pursuant to this section and
32 any comments on the wildfire mitigation plan provided by any county, city,
33 town or other governmental entity pursuant to this section are the
34 exercise of an administrative function involving the determination of
35 fundamental governmental policy as prescribed in SECTION 12-820.01.

36 M. The state forester may charge reasonable fees to public power
37 entities and electric utilities for the review and approval of wildfire
38 mitigation plans as prescribed in this section. In establishing the fees,
39 the state forester may consider factors such as the time and materials
40 necessary to review the wildfire mitigation plans with consideration given
41 to the relative size, resources and service territory complexity of the
42 public power entity or electric utility submitting a wildfire mitigation
43 plan. THE STATE FORESTER SHALL DEPOSIT FEES COLLECTED PURSUANT TO THIS
44 SUBSECTION IN THE COOPERATIVE FORESTRY FUND ESTABLISHED BY SECTION
45 37-1306.

1 N. For the purposes of this SECTION:

2 1. "Electric utility" has the same meaning prescribed in sections
3 30-901 and 40-1301.

4 2. "Public power entity" has the same meaning prescribed in
5 sections 30-901 and 40-1301.

6 3. "Public safety power ~~shut-off~~ SHUTOFF" means the intentional
7 temporary ~~shut-off~~ SHUTOFF of power during certain weather or
8 environmental conditions to reduce the risk of wildfire.

9 4. "Wildfire" has the same meaning prescribed in sections 30-901
10 and 40-1301.

11 5. "Wildfire mitigation plan" has the same meaning prescribed in
12 section 30-901 or 40-1301.

13 Sec. 8. Title 45, chapter 1, article 1, Arizona Revised Statutes,
14 is amended by adding section 45-119, to read:

15 45-119. Colorado River litigation fund

16 A. THE COLORADO RIVER LITIGATION FUND IS ESTABLISHED CONSISTING OF
17 LEGISLATIVE APPROPRIATIONS. THE DEPARTMENT SHALL ADMINISTER THE FUND.
18 MONIES IN THE FUND ARE CONTINUOUSLY APPROPRIATED AND ARE EXEMPT FROM THE
19 PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS.

20 B. MONIES IN THE FUND SHALL BE USED BY THE DEPARTMENT FOR THE SOLE
21 PURPOSE OF INITIATING, DEFENDING OR PARTICIPATING IN LITIGATION RELATED TO
22 THIS STATE'S APPORTIONMENT OF COLORADO RIVER WATER OR ANY OTHER RIGHTS OF
23 THIS STATE REGARDING COLORADO RIVER WATER UNDER THE COLORADO RIVER COMPACT
24 OF 1922, BOULDER CANYON PROJECT ACT OF 1928, COLORADO RIVER DECREE OF
25 1964, COLORADO RIVER BASIN PROJECT ACT OF 1968 OR ANY OTHER FEDERAL LAW
26 THAT AFFECTS THIS STATE'S APPORTIONMENT OF COLORADO RIVER WATER OR THE
27 RIGHT TO DIVERT WATER CONTROLLED BY THE UNITED STATES OR TO EXERCISE THIS
28 STATE'S ENTITLEMENT TO WATER.

29 C. ON NOTICE FROM THE DIRECTOR, THE STATE TREASURER SHALL INVEST
30 AND DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND MONIES
31 EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND.

32 D. NOTWITHSTANDING SUBSECTION B OF THIS SECTION, MONIES IN THE FUND
33 MAY NOT BE USED BY THE DEPARTMENT FOR THE PURPOSE OF INITIATING LITIGATION
34 AGAINST ANY ENTITY THAT HOLDS AN ENTITLEMENT TO THIS STATE'S APPORTIONMENT
35 OF COLORADO RIVER WATER.

36 Sec. 9. Repeal

37 Laws 2023, chapter 138, section 2 is repealed.

38 Sec. 10. Laws 2023, chapter 138, section 3, as amended by Laws
39 2024, chapter 214, section 5, is amended to read:

40 Sec. 3. Fire incident management fund; exemption; delayed
41 repeal; transfer of monies

42 A. The fire incident management fund is established consisting of
43 legislative appropriations. The department of administration shall
44 administer the fund. Not more than \$200,000 of monies appropriated to the
45 fund may be used by the department of administration to administer the

1 fund. Monies in the fund are continuously appropriated and are exempt
2 from the provisions of section 35-190, Arizona Revised Statutes, relating
3 to lapsing of appropriations. The department of administration shall
4 distribute monies from the fund to provide grants to municipal fire
5 departments and fire districts for hardware and software that:

6 1. Enables the statewide deployment of a secure incident management
7 platform to fire and law enforcement agencies.

8 2. Provides a standardized incident command and management platform
9 based on federal emergency management agency standards that enable diverse
10 incident management and support entities to work together and ensure the
11 following:

12 (a) A clearly defined chain of command.

13 (b) The use of common terminology.

14 (c) The safety of first responders and others.

15 (d) The achievement of response objectives.

16 (e) The efficient use of resources.

17 3. Provides a collaboration and communications solution that does
18 the following:

19 (a) Identifies the location, status and assignment of assigned
20 resources.

21 (b) Allows status updates, tracking and management of an incident.

22 (c) Allows secure messaging and file sharing to all users involved
23 in an incident.

24 (d) Allows the sharing of collaborative maps, building floor plans
25 and images between public safety agencies.

26 (e) Allows collaboration and information sharing between disparate
27 agencies during a mass casualty incident.

28 (f) Defines a federal emergency management agency or national
29 incident management systems-based organizational structure for the
30 management of incidents.

31 (g) Provides the ability to print standard integrated computer
32 solutions forms for tracking and cost reimbursement.

33 (h) Provides enhanced telemetry-based firefighter safety
34 monitoring.

35 (i) Works in areas without internet access in a disconnected mode.

36 (j) Provides a seamless and connected platform for notification,
37 response and rostering.

38 (k) Provides cross-platform functionality.

39 (l) Provides a smartphone-based application for notification,
40 accountability and situational awareness.

41 B. Each municipal fire department or fire district in this state
42 may submit a grant request to the department of administration for the
43 costs of the secure incident management system that meets all of the
44 criteria described in subsection A of this section.

1 C. The department of administration shall award grants on a
2 first-come, first-served basis. Grants that are awarded shall fully fund
3 the costs of the secure incident management system for each municipal fire
4 department or fire district for three years.

5 D. From and after June 30, ~~2025~~ 2027, this section is repealed and
6 all unexpended and unencumbered monies in the fire incident management
7 fund established by this section revert to the state general fund.

8 Sec. 11. Laws 2025, chapter 56, section 1 is amended to read:

9 Section 1. Appropriations; nuclear emergency management fund

10 Pursuant to sections 26-306.01 and 26-306.02, Arizona Revised
11 Statutes, the sum of ~~\$2,617,991~~ \$2,667,991 in fiscal year 2025-2026 and
12 the sum of ~~\$2,711,339~~ \$2,761,339 in fiscal year 2026-2027 are appropriated
13 from the nuclear emergency management fund established by section
14 26-306.02, Arizona Revised Statutes, as follows:

15 1. For use by the division of emergency management of the
16 department of emergency and military affairs as provided in section
17 26-306.02, Arizona Revised Statutes, the sum of \$1,266,916 and 8 full time
18 equivalent positions in fiscal year 2025-2026 and the sum of \$1,311,566
19 and 8 full time equivalent positions in fiscal year 2026-2027.

20 2. For use by the Arizona department of agriculture for programs
21 relating to off-site nuclear emergency response plans, the sum of \$347,109
22 and 2.44 full-time equivalent positions in fiscal year 2025-2026 and the
23 sum of \$352,877 and 2.44 full-time equivalent positions in fiscal year
24 2026-2027.

25 3. For disbursement by the division of emergency management of the
26 department of emergency and military affairs to departments and agencies
27 of Maricopa county that are assigned responsibilities under the off-site
28 nuclear emergency response plan, the sum of \$953,966 in fiscal year
29 2025-2026 and the sum of \$996,896 in fiscal year 2026-2027.

30 4. For disbursement by the division of emergency management of the
31 department of emergency and military affairs to departments and agencies
32 of the city of Buckeye that are assigned responsibilities under the
33 off-site nuclear emergency response plan, the sum of \$100,000 in fiscal
34 year 2025-2026 and the sum of \$100,000 in fiscal year 2026-2027.

35 Sec. 12. Laws 2025, chapter 56, section 2 is amended to read:

36 Sec. 2. Assessments

37 Pursuant to section 26-306.01, Arizona Revised Statutes, the sum of
38 ~~\$2,617,991~~ \$2,667,991 in fiscal year 2025-2026 and the sum of ~~\$2,711,339~~
39 \$2,761,339 in fiscal year 2026-2027, plus any applicable interest, are
40 assessed against each consortium of public service corporations and
41 municipal corporations engaged in constructing or operating a commercial
42 nuclear generating station in this state.

1 (x) Provides a seamless and connected platform for notification,
2 response and rostering.

3 (xi) Provides cross-platform functionality.

4 (xii) Provides a smartphone-based application for notification,
5 accountability and situational awareness.

6 B. Each municipal fire department or fire district in this state
7 may submit a grant request to the department of administration for the
8 costs of the secure incident management software system that meets all of
9 the criteria described in subsection A, paragraph 4 of this section.

10 C. The department of administration shall award grants on a
11 first-come, first-served basis. Grants that are awarded:

12 1. Shall fully fund the costs of the secure incident management
13 software system for each municipal fire department or fire district for
14 three years.

15 2. Must contain a requirement that:

16 (a) Any portion of a grant award that is not fully encumbered by a
17 municipal fire department or fire district within one year after the award
18 is made shall be returned to the department of administration and may be
19 used by the department of administration to award additional grants
20 pursuant to this section.

21 (b) Any municipal fire department or fire district that is awarded a
22 grant shall sign a contract with a state vendor within one year after
23 receiving the award. If a grant recipient fails to sign a contract within
24 one year after the award is made, the grant award shall be returned to the
25 department of administration and may be used by the department of
26 administration to award additional grants as prescribed by this section.
27 A municipal fire department or fire district that fails to sign a contract
28 within one year after the award is made may reapply for a new grant.

29 D. The department of administration may review proposed contracts
30 between grant recipients and state vendors and perform audits to ensure
31 that grant monies are used in accordance with this section.

32 E. On or before December 31, 2025, the department of administration
33 shall submit a report on the grant program to the president of the senate,
34 the speaker of the house of representatives and the governor and shall
35 provide a copy of this report to the secretary of state. The report shall
36 include:

37 1. The name of each applicant that applied for a grant.

38 2. The name of each entity that was awarded a grant and the amount
39 awarded to each entity.

40 Sec. 14. Fire incident management grant program awards;
41 encumbrance; return; additional awards

42 Any portion of a grant award that is made with monies appropriated
43 for fire incident management grants pursuant to Laws 2022, chapter 313,
44 section 5 or Laws 2023, chapter 133, section 6, as amended by Laws 2023,
45 chapter 170, section 11, and that is not fully encumbered by a municipal

1 fire department or fire district within twelve months after the initial
2 award of the grant shall be returned to the department of administration
3 and may be used by the department of administration to award additional
4 grants for the fire incident management grant program.

5 Sec. 15. Underground storage tank revolving fund; use of
6 monies

7 Notwithstanding any other law, in fiscal year 2025-2026, the
8 department of environmental quality may use up to \$6,531,000 from the
9 underground storage tank revolving fund established by section 49-1015,
10 Arizona Revised Statutes, in fiscal year 2025-2026 for:

- 11 1. Administrative costs of the department.
- 12 2. Remediating sewage discharge issues in Naco, Arizona and other
13 border areas of this state.

14 Sec. 16. Arizona water banking fund; use of monies

15 In addition to the purposes provided in section 45-2425, Arizona
16 Revised Statutes, monies appropriated to the Arizona navigable stream
17 adjudication commission from the Arizona water banking fund established by
18 section 45-2425, Arizona Revised Statutes, may be used in fiscal year
19 2025-2026 to pay legal fees.

20 Sec. 17. Arizona water protection fund; use of monies

21 Notwithstanding section 45-2114, Arizona Revised Statutes, in fiscal
22 year 2025-2026, the Arizona water protection fund commission may grant to
23 the department of water resources up to \$336,000 of the unobligated
24 balance in the Arizona water protection fund established by section
25 45-2111, Arizona Revised Statutes, to pay for administrative costs of the
26 department in fiscal year 2025-2026.

27 Sec. 18. Water quality assurance revolving fund; use of
28 monies

29 Notwithstanding section 49-282, Arizona Revised Statutes, the
30 \$18,000,000 transfer from the state general fund to the water quality
31 assurance revolving fund established by section 49-282, Arizona Revised
32 Statutes, for fiscal year 2025-2026 is suspended.

33 Sec. 19. Department of environmental quality; vehicle
34 emissions testing fees; definition

35 A. Notwithstanding any other law, in fiscal year 2025-2026, the
36 director of the department of environmental quality shall maintain fees
37 for tests conducted in area A at the area A emission fee level as of June
38 30, 2025.

39 B. For the purposes of this subsection, "area A" has the same
40 meaning prescribed in section 49-541, Arizona Revised Statutes.

41 Sec. 20. State land department; application processing
42 timeline report

43 On or before February 1, 2026, the state land department shall
44 provide a report to the president of the senate, the speaker of the house
45 of representatives, the chairperson of the senate committee on natural

1 resources and the chairperson of the house of representatives committee on
2 natural resources, energy and water that includes the total number of
3 applications that are currently pending at the state land department in
4 the following phases:

5 1. The administrative completeness review phase of the overall
6 application processing timeline, including the average number of days
7 these applications have been pending in the administrative completeness
8 review phase.

9 2. The substantive review phase of the overall application
10 processing timeline, including the average number of days these
11 applications have been pending in the substantive review phase.

12 Sec. 21. Retroactivity

13 Laws 2023, chapter 138, section 3, as amended by Laws 2024, chapter
14 214, section 5 and this act, and section 13 of this act apply
15 retroactively to from and after June 29, 2025.

APPROVED BY THE GOVERNOR JUNE 27, 2025.

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