

REFERENCE TITLE: capital outlay; appropriations; 2025-2026

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

HB 2949

Introduced by
Representative Livingston (with permission of Committee on Rules)

AN ACT

AMENDING LAWS 2024, CHAPTER 211, SECTION 9; AMENDING LAWS 2024, CHAPTER 211, SECTION 10; 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 2024, chapter 211, section 9 is amended to read:

3 Sec. 9. Appropriation reductions; appropriation; department
4 of transportation; Riggs Road overpass; fiscal
5 years 2020-2021, 2022-2023, 2025-2026, 2026-2027
6 and 2027-2028; fund balance transfer; intent

7 A. Notwithstanding any other law, the following amounts are reduced
8 from appropriations made to the following state agency in fiscal year
9 2020-2021 by Laws 2021, chapter 406, section 33, AS AMENDED BY LAWS 2022,
10 CHAPTER 33, SECTION 1 AND LAWS 2023, CHAPTER 135, SECTION 1, for the
11 following project:

12 B. DEPARTMENT OF TRANSPORTATION

13 Construct an overpass at Riggs Road
14 and State Route 347 \$(25,000,000)

15 Fund sources:

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

17 C. Notwithstanding any other law, the following amounts are reduced
18 from appropriations made to the following state agency in fiscal year
19 2022-2023 by Laws 2022, chapter 309, section 12, as amended by Laws 2023,
20 chapter 135, section 5, for the following project:

21 D. DEPARTMENT OF TRANSPORTATION

22 Construct an overpass at Riggs Road
23 and State Route 347 \$(24,000,000)

24 Fund sources:

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

26 E. Notwithstanding any other law, on or before June 30, 2024,
27 \$24,000,000 from the state highway fund established by section 28-6991,
28 Arizona Revised Statutes, is transferred to the state general fund for the
29 purposes of providing adequate support and maintenance for agencies of
30 this state. This amount reflects a portion of the revenues derived from
31 the tax levied by title 42, chapter 5, articles 1 and 5, Arizona Revised
32 Statutes, that were transferred to the state highway fund by Laws 2022,
33 chapter 321, section 20, subsection A, paragraph 2.

34 F. THE SUM OF \$12,300,000 IS APPROPRIATED FROM THE STATE GENERAL
35 FUND IN FISCAL YEAR 2025-2026 TO THE DEPARTMENT OF TRANSPORTATION FOR
36 RIGHT-OF-WAY ACQUISITION, UTILITY RELOCATION AND NATURAL RESOURCE RECOVERY
37 TO CONSTRUCT AN OVERPASS AT RIGGS ROAD AND STATE ROUTE 347.

38 G. THE SUM OF \$29,100,000 IS APPROPRIATED FROM THE STATE GENERAL
39 FUND IN FISCAL YEAR 2026-2027 TO THE DEPARTMENT OF TRANSPORTATION TO
40 CONSTRUCT AN OVERPASS AT RIGGS ROAD AND STATE ROUTE 347.

41 ~~F.~~ H. The sum of \$49,000,000 is appropriated from the state
42 general fund in fiscal year 2027-2028 to the department of transportation
43 to construct an overpass at Riggs Road and State Route 347. ALL OF THE
44 MONIES APPROPRIATED IN THIS SUBSECTION SHALL BE ALLOCATED AND AVAILABLE TO
45 THE DEPARTMENT IN THE FIRST QUARTER OF FISCAL YEAR 2027-2028. ~~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. 2. 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, 2025-2026 and 2026-2027;
7 fund balance 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 ~~\$30,000,000~~ \$40,000,000 is appropriated from the
38 state general fund in fiscal year ~~2026-2027~~ 2025-2026 and the sum of
39 ~~\$78,000,000~~ \$93,000,000 is appropriated from the state general fund in
40 fiscal year ~~2027-2028~~ 2026-2027 to the department of transportation to
41 design and construct additional vehicle lanes, separated by a lighted
42 median, on Interstate 10 between State Route 85 and Citrus Road. TO
43 EXPEDITE CONSTRUCTION AND ENSURE COMPLETION IN A TIMELY MANNER OF THE
44 PROJECT FOR WHICH MONIES ARE APPROPRIATED IN THIS SUBSECTION, THE

1 DEPARTMENT OF TRANSPORTATION SHALL PROCURE CONSTRUCTION BIDS THAT
2 INCORPORATE THE COST-PLUS-TIME (A+B) METHOD.

3 Sec. 3. Appropriations; Arizona state parks board;
4 reductions; reversions

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

9	1. Dead Horse Ranch state park amphitheater	\$ (210,000)
10	2. Southern construction services relocation	\$ (2,000,000)
11	3. Statewide water conservation – FY 2023	\$ (1,339,000)
12	4. Statewide campground improvements	\$ (4,100,000)
13	5. Statewide sunshade structures	\$ (2,233,333)
14	6. Statewide water conservation – FY 2025	\$ (1,339,000)
15	7. Yuma territorial prison renovation	\$ (5,945,000)
16	8. Red Rock renovation	\$ (4,000,000)
17	9. San Rafael renovation	\$ (1,500,000)

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

21 Building Renewal

22 Sec. 4. Capital outlay appropriations; major maintenance and
23 repair of state buildings

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

29 B. DEPARTMENT OF ADMINISTRATION \$19,000,000

30 Fund source:

31 Capital outlay stabilization fund \$19,000,000

32 The department of administration shall allocate the monies to state
33 agencies for necessary building renewal. If monies in the capital outlay
34 stabilization fund established by section 41-792.01, Arizona Revised
35 Statutes, are insufficient to fund the appropriation to the department of
36 administration for building renewal, the appropriation to the department
37 of administration is reduced by the difference between the amount
38 appropriated to the department of administration from the capital outlay
39 stabilization fund and the balance in the capital outlay stabilization
40 fund. Notwithstanding title 41, chapter 4, article 7, Arizona Revised
41 Statutes, the department of administration may use monies appropriated for
42 building renewal in fiscal year 2025-2026 for building projects related to
43 retrofitting facilities for space consolidation initiatives.

1 C. STATE DEPARTMENT OF CORRECTIONS \$ 5,864,300
 2 Fund source:
 3 Department of corrections building
 4 renewal fund \$ 5,864,300
 5 The state department of corrections may not spend any of this
 6 appropriation on personal services or overhead expenses related to
 7 managing the funded projects.
 8 D. ARIZONA GAME AND FISH DEPARTMENT \$ 1,815,700
 9 Fund source:
 10 Game and fish fund \$ 1,815,700
 11 E. ARIZONA STATE LOTTERY COMMISSION \$ 218,200
 12 Fund source:
 13 State lottery fund \$ 218,200
 14 F. DEPARTMENT OF TRANSPORTATION \$22,540,100
 15 Fund sources:
 16 State highway fund \$ 22,990,400
 17 State aviation fund \$ 394,900
 18 Individual Projects
 19 Sec. 5. Appropriations: state agencies and boards: capital
 20 projects
 21 A. The amounts appropriated in this section are appropriated for
 22 fiscal year 2025-2026 to be used by the applicable agency or board for
 23 individual capital projects.
 24 B. STATE DEPARTMENT OF CORRECTIONS
 25 Replace fire, life alarm and suppression
 26 system at the Yuma state prison \$ 8,500,000
 27 Fund source:
 28 State general fund \$ 8,500,000
 29 C. ARIZONA EXPOSITION AND STATE FAIR BOARD
 30 Capital improvements \$ 3,815,100
 31 Fund source:
 32 Arizona exposition and state fair fund \$ 3,815,100
 33 D. ARIZONA GAME AND FISH DEPARTMENT
 34 1. Dam maintenance \$ 150,000
 35 2. Hatchery maintenance \$ 400,000
 36 3. Property maintenance \$ 300,000
 37 4. Dam repairs at Black Canyon Lake
 38 and Fool Hollow Lake \$ 6,850,000
 39 5. Hatchery repairs \$ 4,700,000
 40 Fund sources:
 41 Capital improvement fund \$ 850,000
 42 Game and fish fund \$ 11,550,000
 43 E. DEPARTMENT OF HEALTH SERVICES
 44 1. State hospital isolation valve installation \$ 160,000
 45 2. State hospital anti-ligature renovations \$ 695,000

1	3. State hospital perimeter detection	
2	system replacement	\$ 83,000
3	Fund source:	
4	Arizona state hospital land fund	\$ 938,000
5	F. DEPARTMENT OF JUVENILE CORRECTIONS	
6	1. Fire line booster pumps replacement	\$ 536,600
7	2. School door and lock replacements at	
8	Adobe Mountain school	\$ 303,000
9	3. School kitchen air unit replacements at	
10	Adobe Mountain school	\$ 641,000
11	Fund sources:	
12	Criminal justice enhancement fund	\$ 1,361,900
13	Department of juvenile corrections	
14	local cost sharing fund	\$ 118,700
15	G. ARIZONA STATE PARKS BOARD	
16	Capital improvements	\$ 3,633,300
17	Fund source:	
18	State parks revenue fund	\$ 3,633,300
19	H. ARIZONA PIONEERS' HOME	
20	1. Capital improvements	\$ 470,400
21	2. Facility window and door replacements	\$ 1,515,000
22	Fund source:	
23	Miners' hospital for miners with	
24	disabilities land fund	\$ 1,985,400
25	I. DEPARTMENT OF PUBLIC SAFETY	
26	1. Replace modular offices building in	
27	Payson and Sanders	\$ 2,000,000
28	2. Upgrade electrical system at department	
29	headquarters in Phoenix	\$ 11,227,100
30	Fund source:	
31	State general fund	\$ 13,227,100
32	J. DEPARTMENT OF TRANSPORTATION	
33	1. Improvements to vehicle repair shop in	
34	Avondale	\$ 6,951,000
35	2. Construct new maintenance offices in	
36	Little Antelope and Gray Mountain	\$ 6,861,000
37	3. Renovate Grand Canyon airport terminal	\$ 850,300
38	Fund sources:	
39	State highway fund	\$ 13,812,200
40	State aviation fund	\$ 850,300
41	The monies appropriated to the department of transportation to	
42	renovate the Grand Canyon airport terminal revert to the state aviation	
43	fund established by section 28-8202, Arizona Revised Statutes, on June 30,	
44	2026 if the department does not receive a federal aviation administration	
45	grant for the project.	

1 K. DEPARTMENT OF VETERANS' SERVICES

2 Replace HVAC at veterans' home in Tucson \$ 2,400,000

3 Fund source:

4 State general fund \$ 2,400,000

5 Sec. 6. Arizona state parks board; report; capital projects

6 On or before September 1, 2025, the Arizona state parks board shall
7 submit a report to the joint committee on capital review delineating which
8 projects that were approved by the committee in July 2022 that the board
9 plans to prioritize in fiscal year 2025-2026 and the proposed fiscal year
10 2025-2026 funding level for each of those projects.

11 Department of Transportation Statewide Highway Construction

12 Sec. 7. Appropriations; department of transportation; highway
13 projects; intent

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

17 1. Construct an additional right-hand turn
18 lane on northbound State Route 87
19 and State Route 260 near Payson \$ 3,400,000

20 2. Distribute to the city of Flagstaff to
21 construct a traffic light signal at the
22 intersection of Woody Mountain Road and
23 US Route 66 \$ 500,000

24 The monies appropriated in this paragraph to design and construct a
25 traffic light signal at the intersection of Woody Mountain Road and US
26 Route 66 shall be distributed to the city of Flagstaff on or before
27 November 1, 2025.

28 3. Design traffic interchange and connecting
29 arterial roadways at State Route 303 and
30 155th Avenue \$ 3,400,000

31 The legislature intends that the city of Surprise contribute
32 \$3,000,000 to the project described in this paragraph. The legislature
33 intends that the Maricopa association of governments contribute at least
34 \$3,000,000 from sources other than this state for the project described in
35 this paragraph.

36 4. Restripe lanes along the interchange
37 ramp from eastbound State Route 24
38 to State Route 202 \$ 50,000

39 5. Design improvements along State
40 Route 24 \$ 500,000

41 6. Distribute to the city of Show Low for
42 the Woolford Road extension project \$ 6,000,000

43 The monies appropriated in this paragraph for the Woolford Road
44 extension project shall be distributed to the city of Show Low on or
45 before November 1, 2025.

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

11 D. On or before November 1, 2025, the department of transportation
 12 shall report capital outlay information for fiscal years 2024-2025,
 13 2025-2026 and 2026-2027, to the directors of the joint legislative budget
 14 committee and the governor's office of strategic planning and budgeting.
 15 This information shall appear in the same format as tables three, four and
 16 seven, as found in the fiscal year 2024-2025 appropriations report.

17 E. On or before November 1, 2025, the department of transportation
 18 shall report the department's estimated outstanding debt principal balance
 19 at the end of fiscal year 2026-2027 and the estimated debt service payment
 20 amount for each of fiscal years 2026-2027, 2027-2028, 2028-2029 and
 21 2029-2030, to the directors of the joint legislative budget committee and
 22 the governor's office of strategic planning and budgeting. This report
 23 shall include state highway fund statewide construction bonds, Arizona
 24 highway user revenue fund bonds, Maricopa association of governments and
 25 Pima association of governments controlled access bonds, Maricopa regional
 26 area road fund bonds and grant anticipation notes and is intended to be
 27 comparable to the information in the fiscal year 2024-2025 appropriations
 28 report.

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

32 Department of Transportation Airport Planning and Development

33 Sec. 10. Appropriation; department of transportation; airport
 34 planning and development; report; exemption

35 A. The amount appropriated in this section is appropriated in
 36 fiscal year 2025-2026 to plan, construct, develop and improve state,
 37 county, city or town airports as determined by the state transportation
 38 board.

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

40 Fund source:

41 State aviation fund \$ 44,340,700

42 Any balances and collections in the state aviation fund established
 43 by section 28-8202, Arizona Revised Statutes, that exceed the specific
 44 amounts appropriated in the general appropriations act and in this act are

appropriated to the department of transportation in fiscal year 2025-2026 for the purposes provided in this section.

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

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

Sec. 11. Joint committee on capital review; projects; favorable review

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

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

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

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

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

(a) Replacing the sewer system at the Ben Avery shooting facility.

(b) Constructing new bison-proof fencing in the House Rock Wildlife area near the north rim of the Grand Canyon in Coconino county.

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

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

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

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

Sec. 12. Appropriation; vehicle fueling stations; exemption from lapsing

Notwithstanding section 35-190, Arizona Revised Statutes, the \$1,800,000 appropriated to the department of transportation by Laws 2021, chapter 406, section 31 in fiscal year 2021-2022 to replace vehicle fueling facilities in Flagstaff, Holbrook and Kingman is exempt from the provisions of section 35-190, Arizona Revised Statutes, relating to lapsing of appropriations, until June 30, 2027.

1 Sec. 13. Use of appropriations

2 A. The department of administration may spend up to five percent of
3 the amounts appropriated to the department in this act, excluding amounts
4 to be distributed to nonstate agencies, for expenditures for project
5 management of building renewal and capital projects. All other monies
6 appropriated to the department in this act may not be spent for personal
7 services or employee-related expenditures or for maintenance contracts on
8 building components and equipment without review by the joint committee on
9 capital review.

10 B. The monies appropriated in this act may not be spent for
11 personal services or employee-related expenditures of state employees,
12 excluding any services provided as part of the inmate construction program
13 for correctional facilities.