

House Engrossed

~~federal funds; legislative approval~~
(now: referendum; noncustodial federal monies; appropriation)

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

HOUSE CONCURRENT RESOLUTION 2015

A CONCURRENT RESOLUTION

ENACTING AND ORDERING THE SUBMISSION TO THE PEOPLE OF A MEASURE RELATING
TO FEDERAL MONIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it resolved by the House of Representatives of the State of Arizona,
2 the Senate concurring:

3 1. Under the power of the referendum, as vested in the Legislature,
4 the following measure, relating to federal monies, is enacted to become
5 valid as a law if approved by the voters and on proclamation of the
6 Governor:

7 AN ACT

8 AMENDING TITLE 41, CHAPTER 49, ARIZONA REVISED STATUTES, BY
9 ADDING ARTICLE 2; RELATING TO FEDERAL MONIES.

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

11 Section 1. Title 41, chapter 49, Arizona Revised
12 Statutes, is amended by adding article 2, to read:

13 ARTICLE 2. APPROPRIATION OF FEDERAL MONIES

14 41-4921. Definitions

15 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

16 1. "BUDGET UNIT" HAS THE SAME MEANING PRESCRIBED IN
17 SECTION 35-101.

18 2. "NONCUSTODIAL FEDERAL MONIES":

19 (a) MEANS FEDERAL MONIES THAT MEET ONE OF THE FOLLOWING
20 CRITERIA:

21 (i) ARE DESIGNATED BY THE FEDERAL GOVERNMENT AS BLOCK
22 GRANT MONIES.

23 (ii) ARE DESIGNATED BY THE FEDERAL GOVERNMENT AS
24 GENERAL REVENUE SHARING MONIES.

25 (iii) PROVIDE THIS STATE WITH BROAD AUTHORITY TO MAKE
26 SPENDING DECISIONS REGARDING DEVELOPING, IMPLEMENTING OR
27 OPERATING A PROGRAM OR SERVICE.

28 (iv) ARE CONSIDERED ESSENTIAL TO MEET TOTAL SPENDING
29 OBLIGATIONS OF A FEDERALLY REQUIRED OR MATCHED PROGRAM OR
30 SERVICE AUTHORIZED BY THE LEGISLATURE IN WHICH THE FEDERAL
31 GOVERNMENT REQUIRES AT LEAST ONE PERCENT OF THE PROGRAM OR
32 SERVICE FUNDING TO COME FROM THIS STATE.

33 (b) DOES NOT INCLUDE:

34 (i) FEDERAL MONIES OR RESEARCH GRANTS AWARDED TO
35 UNIVERSITIES, UNIVERSITY EMPLOYEES OR THE ARIZONA BOARD OF
36 REGENTS FOR AND ON BEHALF OF THE UNIVERSITIES UNDER ITS
37 JURISDICTION.

38 (ii) FEDERAL MONIES FOR USE BY THE DEPARTMENT OF
39 EMERGENCY AND MILITARY AFFAIRS.

40 (iii) FEDERAL MONIES AWARDED DIRECTLY TO SCHOOL
41 DISTRICTS OR COMMUNITY COLLEGES.

42 41-4922. Receipt of noncustodial federal monies;
43 accounting

44 BEGINNING JANUARY 1, 2027, A BUDGET UNIT THAT RECEIVES
45 NONCUSTODIAL FEDERAL MONIES SHALL ACCOUNT FOR THE NONCUSTODIAL

1 FEDERAL MONIES IN SEPARATE ACCOUNTS OR FUNDS AS NECESSARY TO
2 MEET ACCOUNTING, BUDGETARY AND AUDITING REQUIREMENTS. THE
3 DEPARTMENT OF ADMINISTRATION MAY USE THE MOST EFFICIENT SYSTEM
4 OF ACCOUNTS AND RECORDS, CONSISTENT WITH LEGAL REQUIREMENTS
5 AND STANDARDS, AND NECESSARY FISCAL SAFEGUARDS.

6 41-4923. Appropriation of federal monies; legislative
7 powers and duties

8 A. BEGINNING JANUARY 1, 2027, THE LEGISLATURE RETAINS
9 THE AUTHORITY TO APPROPRIATE NONCUSTODIAL FEDERAL MONIES. IF
10 THE LEGISLATURE DOES NOT MAKE AN APPROPRIATION FOR EITHER A
11 PARTICULAR FUND, A SPECIFIC GRANT PROGRAM OR A BLOCK OF
12 NONCUSTODIAL FEDERAL MONIES, THE BUDGET UNIT THAT HAS LAWFUL
13 AUTHORITY SHALL ADMINISTER AND SPEND THESE MONIES PURSUANT TO
14 FEDERAL AND STATE LAW.

15 B. BEGINNING JANUARY 1, 2027, THE LEGISLATURE SHALL
16 SPECIFY IN EACH NONCUSTODIAL FEDERAL MONIES APPROPRIATION THE
17 PURPOSES FOR WHICH THE NONCUSTODIAL FEDERAL MONIES ARE TO BE
18 USED, CONSISTENT WITH FEDERAL LAW. FOR THE PURPOSES OF
19 OBTAINING EXPENDITURE AUTHORITY FOR UNANTICIPATED NONCUSTODIAL
20 FEDERAL MONIES THAT MAY BECOME AVAILABLE WHEN THE LEGISLATURE
21 IS NOT IN SESSION, THE LEGISLATURE MAY MAKE A LUMP SUM
22 APPROPRIATION. BEFORE SPENDING MONIES FROM THE LUMP SUM
23 APPROPRIATION, THE BUDGET UNIT SHALL SUBMIT THE PROPOSED
24 EXPENDITURE TO THE JOINT LEGISLATIVE BUDGET COMMITTEE FOR
25 REVIEW, SUBJECT TO ANY CONDITION SPECIFIED BY THE LEGISLATURE.

26 C. IF THE AMOUNT OF THE NONCUSTODIAL FEDERAL MONIES
27 RECEIVED IS LESS THAN THE AMOUNT APPROPRIATED, THE
28 APPROPRIATION OF NONCUSTODIAL FEDERAL MONIES SHALL BE REDUCED
29 TO THE AMOUNT OF THE NONCUSTODIAL FEDERAL MONIES
30 RECEIVED. THE ACTIVITIES FINANCED BY THE NONCUSTODIAL FEDERAL
31 MONIES SHALL BE REDUCED PROPORTIONATELY.

32 D. IF THE AMOUNT OF THE NONCUSTODIAL FEDERAL MONIES
33 RECEIVED IS MORE THAN THE AMOUNT APPROPRIATED, THE TOTAL
34 APPROPRIATION OF FEDERAL AND STATE MONIES ALLOCATED FOR A
35 PROGRAM OR SERVICE SHALL REMAIN AT THE AMOUNT DESIGNATED BY
36 THE LEGISLATURE. THE STATE TREASURER SHALL CREDIT THE EXCESS
37 NONCUSTODIAL FEDERAL MONIES TO THE APPROPRIATE BUDGET UNIT
38 ACCOUNT.

39 2. The Secretary of State shall submit this proposition to the
40 voters at the next general election as provided by article IV, part 1,
41 section 1, Constitution of Arizona.