

REFERENCE TITLE: **noncustodial federal monies; appropriation**

State of Arizona  
House of Representatives  
Fifty-seventh Legislature  
Second Regular Session  
2026

# **HB 2148**

Introduced by  
Representative Griffin

AN ACT

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

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

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

4 ARTICLE 2. APPROPRIATION OF FEDERAL MONIES

5 41-4921. Definitions

6 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

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

8 2. "NONCUSTODIAL FEDERAL MONIES":

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

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

11 (ii) ARE DESIGNATED BY THE FEDERAL GOVERNMENT AS GENERAL REVENUE  
12 SHARING MONIES.

13 (iii) PROVIDE THIS STATE WITH BROAD AUTHORITY TO MAKE SPENDING  
14 DECISIONS REGARDING DEVELOPING, IMPLEMENTING OR OPERATING A PROGRAM OR  
15 SERVICE.

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

20 (b) DOES NOT INCLUDE FEDERAL MONIES FOR USE BY THE DEPARTMENT OF  
21 EMERGENCY AND MILITARY AFFAIRS.

22 41-4922. Receipt of noncustodial federal monies; accounting

23 A BUDGET UNIT THAT RECEIVES NONCUSTODIAL FEDERAL MONIES SHALL  
24 ACCOUNT FOR THE NONCUSTODIAL FEDERAL MONIES IN SEPARATE ACCOUNTS OR FUNDS  
25 AS NECESSARY TO MEET ACCOUNTING, BUDGETARY AND AUDITING REQUIREMENTS. THE  
26 DEPARTMENT OF ADMINISTRATION MAY USE THE MOST EFFICIENT SYSTEM OF ACCOUNTS  
27 AND RECORDS, CONSISTENT WITH LEGAL REQUIREMENTS AND STANDARDS, AND  
28 NECESSARY FISCAL SAFEGUARDS.

29 41-4923. Appropriation of federal monies; legislative powers  
30 and duties

31 A. THE LEGISLATURE RETAINS THE AUTHORITY TO APPROPRIATE  
32 NONCUSTODIAL FEDERAL MONIES. IF THE LEGISLATURE DOES NOT MAKE AN  
33 APPROPRIATION FOR EITHER A PARTICULAR FUND, A SPECIFIC GRANT PROGRAM OR A  
34 BLOCK OF NONCUSTODIAL FEDERAL MONIES, THE BUDGET UNIT THAT HAS LAWFUL  
35 AUTHORITY SHALL ADMINISTER AND SPEND THESE MONIES PURSUANT TO FEDERAL AND  
36 STATE LAW.

37 B. THE LEGISLATURE SHALL SPECIFY IN EACH NONCUSTODIAL FEDERAL  
38 MONIES APPROPRIATION THE PURPOSES FOR WHICH THE NONCUSTODIAL FEDERAL  
39 MONIES ARE TO BE USED, CONSISTENT WITH FEDERAL LAW. FOR THE PURPOSES OF  
40 OBTAINING EXPENDITURE AUTHORITY FOR UNANTICIPATED NONCUSTODIAL FEDERAL  
41 MONIES THAT MAY BECOME AVAILABLE WHEN THE LEGISLATURE IS NOT IN SESSION,  
42 THE LEGISLATURE MAY MAKE A LUMP SUM APPROPRIATION. BEFORE SPENDING MONIES  
43 FROM THE LUMP SUM APPROPRIATION, THE BUDGET UNIT SHALL SUBMIT THE PROPOSED  
44 EXPENDITURE TO THE JOINT LEGISLATIVE BUDGET COMMITTEE FOR REVIEW, SUBJECT  
45 TO ANY CONDITION SPECIFIED BY THE LEGISLATURE.

1 C. IF THE AMOUNT OF THE NONCUSTODIAL FEDERAL MONIES RECEIVED IS  
2 LESS THAN THE AMOUNT APPROPRIATED, THE APPROPRIATION OF NONCUSTODIAL  
3 FEDERAL MONIES SHALL BE REDUCED TO THE AMOUNT OF THE NONCUSTODIAL FEDERAL  
4 MONIES RECEIVED. THE ACTIVITIES FINANCED BY THE NONCUSTODIAL FEDERAL  
5 MONIES SHALL BE REDUCED PROPORTIONATELY.

6 D. IF THE AMOUNT OF THE NONCUSTODIAL FEDERAL MONIES RECEIVED IS  
7 MORE THAN THE AMOUNT APPROPRIATED, THE TOTAL APPROPRIATION OF FEDERAL AND  
8 STATE MONIES ALLOCATED FOR A PROGRAM OR SERVICE SHALL REMAIN AT THE AMOUNT  
9 DESIGNATED BY THE LEGISLATURE. THE STATE TREASURER SHALL CREDIT THE  
10 EXCESS NONCUSTODIAL FEDERAL MONIES TO THE APPROPRIATE BUDGET UNIT ACCOUNT.

11 Sec. 2. Effective date

12 This act is effective from and after December 31, 2027.