

REFERENCE TITLE: technical correction; housing trust fund

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

HB 2981

Introduced by
Representative Tsosie

AN ACT

AMENDING SECTION 41-3955, ARIZONA REVISED STATUTES; RELATING TO HOUSING.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 41-3955, Arizona Revised Statutes, is amended to
3 read:

4 41-3955. Housing trust fund; purpose; annual report

5 A. The housing trust fund is established, and the director shall
6 administer the fund. The fund consists of monies from unclaimed property
7 deposited in the fund pursuant to section 44-313, monies transferred
8 pursuant to section 35-751 and investment earnings.

9 B. On notice from the department, the state treasurer shall invest
10 and divest monies in the fund as provided by section 35-313, and monies
11 earned from investment shall be credited to the fund.

12 C. Except as provided in subsection D of this section, fund monies
13 shall be spent on approval of the department for developing projects and
14 programs connected with providing housing opportunities for low and
15 moderate income households and for housing affordability programs. A
16 portion of fund monies shall be used exclusively for housing in rural
17 areas.

18 D. Fund monies may be spent on constructing or renovating
19 facilities and on housing assistance, including support services. Fund
20 monies shall be awarded in the following order of priority for the first
21 four months of each fiscal year:

22 1. Constructing or renovating emergency shelter facilities or for
23 any operational expenses for emergency shelter services.

24 2. Constructing or renovating transitional housing units.

25 3. Constructing or renovating other types of shelter or housing as
26 determined by the department to best serve the needs of individuals who
27 have been determined to be seriously mentally ill and chronically
28 resistant to treatment.

29 E. For the purposes of subsection C of this section, in approving
30 the expenditure of monies, the director shall give priority to funding
31 projects that provide for operating, constructing or renovating facilities
32 for housing for low-income families and that provide housing and shelter
33 to families that have children.

34 F. After the four-month period prescribed in subsection D of this
35 section, fund monies that have not been awarded or encumbered pursuant to
36 the priority list prescribed in subsection D of this section may be spent
37 based on stakeholder feedback.

38 G. The department shall submit for review by the joint legislative
39 budget committee all programs established by the department and funded by
40 the housing trust fund pursuant to this section.

41 H. The director shall report annually to the legislature on the
42 status of the housing trust fund. The report shall include a summary of
43 facilities for which funding was provided during the preceding fiscal year
44 and shall show the cost and geographic location of each facility and the
45 number of individuals benefiting from the operation, construction or

1 renovation of the facility. The report shall also include the number of
2 individuals who benefit from housing assistance pursuant to subsection D
3 of this section. The report shall be submitted to the president of the
4 senate and the speaker of the house of representatives, and a copy
5 provided to the secretary of state, not later than September 1 of each
6 year.

7 I. Monies in the housing trust fund are exempt from the provisions
8 of section 35-190 relating to lapsing of appropriations.

9 J. An amount ~~not to exceed~~ NOT MORE THAN ten percent of the housing
10 trust fund monies may be appropriated annually by the legislature to the
11 department for administrative costs in providing services relating to the
12 housing trust fund.

13 K. For any construction project financed by the department pursuant
14 to this section, the department shall notify a city, town, county or
15 tribal government that a project is planned for its jurisdiction and,
16 before proceeding, shall seek comment from the governing body of the city,
17 town, county or tribal government or an official authorized by the
18 governing body of the city, town, county or tribal government. The
19 department shall not interfere with or attempt to override the local
20 jurisdiction's planning, zoning or land use regulations.