

House Engrossed

2026-2027; state budget implementation.

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

HOUSE BILL 4140

AN ACT

APPROPRIATING MONIES; RELATING TO IMPLEMENTATION OF BUDGETARY REVISIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Unrestricted federal monies; essential government
3 services; retroactivity

4 A. Any unrestricted federal monies received by this state beginning
5 July 1, 2026 through June 30, 2027 shall be deposited in the state general
6 fund. The monies shall be used to pay essential government services.

7 B. This section applies retroactively to from and after June 30,
8 2026.

9 Sec. 2. Budget stabilization fund; exceptions

10 Notwithstanding section 35-144, Arizona Revised Statutes:

11 1. For fiscal years 2026-2027 and 2027-2028, the legislature is not
12 required to appropriate monies to or transfer monies from the budget
13 stabilization fund.

14 2. For fiscal year 2026-2027, the budget stabilization fund is not
15 limited to ten percent of the state general fund revenue for the fiscal
16 year, and the state treasurer may not transfer any surplus monies from the
17 budget stabilization fund to the state general fund.

18 Sec. 3. Budget submission; government efficiency and reform
19 initiative; report

20 In furtherance of section 35-111, Arizona Revised Statutes, the
21 governor's budget submission to the legislature for fiscal year 2027-2028
22 must include a full accounting of the monies available for expenditure
23 pursuant to any savings realized by the government efficiency and reform
24 initiative. The governor's budget submission must include a report that
25 demonstrates how the government efficiency and reform initiative savings
26 target of \$100,000,000 will be accomplished and must include a
27 comprehensive list of component initiatives, by savings amount, for each
28 affected agency.