

House Engrossed

2026-2027; commerce.

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

HOUSE BILL 4142

AN ACT

AMENDING SECTION 5-572, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2024, CHAPTER 210, SECTION 2; REPEALING SECTION 5-572, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2024, CHAPTER 210, SECTION 3; RELATING TO COMMERCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 5-572, Arizona Revised Statutes, as amended by
3 Laws 2024, chapter 210, section 2, is amended to read:

4 5-572. Use of monies in state lottery fund; report

5 A. If there are any bonds or bond related obligations payable from
6 the state lottery revenue bond debt service fund, the state lottery
7 revenue bond debt service fund shall be secured by a first lien on the
8 monies in the state lottery fund after the payment of operating costs of
9 the lottery, as prescribed in section 5-555, subsection A, paragraph 1,
10 until the state lottery bond debt service fund contains sufficient monies
11 to meet all the requirements for the current period as required by the
12 bond documents. Debt service for revenue bonds issued pursuant to this
13 chapter shall be paid first from monies that would have otherwise been
14 deposited pursuant to this section in the state general fund. After the
15 requirements for the current period have been satisfied as required by the
16 bond documents, the monies in the state lottery fund shall be expended for
17 the expenses of the commission incurred in carrying out its powers and
18 duties and in the operation of the lottery.

19 B. Of the monies remaining in the state lottery fund each fiscal
20 year after appropriations and deposits authorized in subsection A of this
21 section, \$10,000,000 shall be deposited in the Arizona game and fish
22 commission heritage fund established by section 17-297.

23 C. Of the monies remaining in the state lottery fund each fiscal
24 year after appropriations and deposits authorized in subsections A and B
25 of this section, \$5,000,000 shall be allocated to the department of child
26 safety for the healthy families program established by section 8-481,
27 \$4,000,000 shall be allocated to the Arizona board of regents for the
28 Arizona area health education system established by section 15-1643,
29 \$3,000,000 shall be allocated to the department of health services to fund
30 the teenage pregnancy prevention programs established in Laws 1995,
31 chapter 190, sections 2 and 3, \$2,000,000 shall be allocated to the
32 department of health services for the health start program established by
33 section 36-697, \$2,000,000 shall be deposited in the disease control
34 research fund established by section 36-274 and \$1,000,000 shall be
35 allocated to the department of health services for the federal women,
36 infants and children food program. The allocations in this subsection
37 shall be adjusted annually according to changes in the GDP price deflator
38 as defined in section 41-563, and the allocations are exempt from the
39 provisions of section 35-190 relating to lapsing of appropriations. If
40 there are not sufficient monies available pursuant to this subsection, the
41 allocation of monies for each program shall be reduced on a pro rata
42 basis.

1 D. If the state lottery director determines that monies available
2 to the state general fund may not equal \$84,150,000 in a fiscal year, the
3 director shall not authorize deposits to the Arizona game and fish
4 commission heritage fund pursuant to subsection B of this section until
5 the deposits to the state general fund equal \$84,150,000 in a fiscal year.

6 E. Of the monies remaining in the state lottery fund each fiscal
7 year after appropriations and deposits authorized in subsections A through
8 D of this section, \$1,000,000 or the remaining balance in the fund,
9 whichever is less, is appropriated to the department of economic security
10 for grants to nonprofit organizations, including faith-based
11 organizations, for homeless emergency and transitional shelters and
12 related support services. The department of economic security shall
13 submit a report on the amounts, recipients, purposes and results of each
14 grant to the governor, the speaker of the house of representatives and the
15 president of the senate on or before December 31 of each year for the
16 prior fiscal year and shall provide a copy of this report to the secretary
17 of state.

18 F. Of the monies remaining in the state lottery fund each fiscal
19 year after appropriations and deposits authorized in subsections A
20 through E of this section, and after a total of at least \$99,640,000 has
21 been deposited in the state general fund, ~~\$1,750,000 shall be deposited in~~
22 ~~the Arizona competes fund established by section 41-1545.01.~~ the remaining
23 balance in the state lottery fund ~~remaining after deposits into the~~
24 ~~Arizona competes fund~~ shall be deposited in the university capital
25 improvement lease-to-own and bond fund established by section 15-1682.03,
26 up to a maximum of eighty percent of the total annual payments of
27 lease-to-own and bond agreements entered into by the Arizona board of
28 regents.

29 G. All monies remaining in the state lottery fund after the
30 appropriations and deposits authorized in this section shall be deposited
31 in the state general fund.

32 H. Except for monies expended for debt service of revenue bonds as
33 provided in subsection A of this section, monies expended under subsection
34 A of this section are subject to legislative appropriation.

35 I. The commission shall transfer monies prescribed in this section
36 on a quarterly basis.

37 Sec. 2. Repeal

38 Section 5-572, Arizona Revised Statutes, as amended by Laws 2024,
39 chapter 210, section 3, is repealed.