

Senate Engrossed

capital outlay; appropriations; 2026-2027.

State of Arizona
Senate
Fifty-seventh Legislature
Second Regular Session
2026

SENATE BILL 1849

AN ACT

AMENDING LAWS 2021, CHAPTER 406, SECTION 33, AS AMENDED BY LAWS 2022, CHAPTER 33, SECTION 1 AND LAWS 2023, CHAPTER 135, SECTION 1; AMENDING LAWS 2022, CHAPTER 309, SECTION 8, AS AMENDED BY LAWS 2023, CHAPTER 135, SECTION 3 AND LAWS 2025, CHAPTER 235, SECTION 1; AMENDING LAWS 2023, CHAPTER 135, SECTION 8; AMENDING LAWS 2023, CHAPTER 135, SECTION 10, AS AMENDED BY LAWS 2024, CHAPTER 211, SECTION 1 AND LAWS 2025, CHAPTER 235, SECTION 2; AMENDING LAWS 2024, CHAPTER 211, SECTION 6; AMENDING LAWS 2024, CHAPTER 211, SECTION 9, AS AMENDED BY LAWS 2025, CHAPTER 235, SECTION 3; AMENDING LAWS 2024, CHAPTER 211, SECTION 22; AMENDING LAWS 2024, CHAPTER 211, SECTION 29; AMENDING LAWS 2025, CHAPTER 235, SECTIONS 8 AND 9; MAKING CAPITAL OUTLAY APPROPRIATIONS FOR THE DIFFERENT DEPARTMENTS OF THE STATE AND FOR STATE INSTITUTIONS; PROVIDING FOR REVIEW OF CAPITAL OUTLAY PROJECTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Laws 2021, chapter 406, section 33, as amended by Laws 2022, chapter 33, section 1 and Laws 2023, chapter 135, section 1, is amended to read:

Sec. 33. Appropriations; department of transportation; highway construction; fiscal year 2020-2021; exemption; lapsing; report

A. The following amounts are appropriated from the state general fund in fiscal year 2020-2021 to the department of transportation for the following highway projects:

1. Repave State Route 69 in Prescott Valley ~~\$ 4,700,000~~ \$ 4,583,800
2. Repave State Route 95 in Mohave county ~~\$46,700,000~~ \$44,965,700
3. Study options for expanding the on and off ramps at the intersection of Grand Avenue and State Route 303 \$ 150,000
4. Construct an overpass at Riggs Road and State Route 347 \$25,000,000
5. ~~Study an overpass at Riggs Road and~~ DESIGN, RIGHT-OF-WAY ACQUISITION, UTILITY RELOCATION, NATURAL RESOURCE RECOVERY AND CONSTRUCTION FOR AN OVERPASS AT RIGGS ROAD AND TO IMPROVE State Route 347 \$ 2,500,000
6. ~~Final design plan, right-of-way and easements for an overpass at Riggs Road and~~ DESIGN, RIGHT-OF-WAY ACQUISITION, UTILITY RELOCATION, NATURAL RESOURCE RECOVERY AND CONSTRUCTION FOR AN OVERPASS AT RIGGS ROAD AND TO IMPROVE State Route 347 \$ 7,500,000
7. Study the north/south corridor in Pinal county \$ 4,000,000
8. Improve drainage on 67th Avenue in Peoria \$ 8,500,000
9. Widen Camelback Road between State Route 303 and Litchfield Road in Goodyear \$ 8,000,000
10. Study and design concept report for the repair of State Route 88 \$ 700,000
11. Repair and maintain 20th Avenue in Safford \$ 1,032,100

1	12. Improve Tangerine Road near	
2	Interstate 10 in Marana	\$ 5,000,000
3	13. Construct a bridge and extend	
4	Ocotillo Road in Gilbert	\$ 7,900,000
5	14. Repair State Route 186 and State	
6	Business Route 10 in Wilcox	\$ 3,500,000 \$3,406,900
7	15. Replace Butte Avenue bridge in	
8	Florence	\$ 1,000,000
9	16. Improve Center Avenue in Jerome	\$ 560,000
10	17. Rehabilitate pavement along	
11	State Route 77 near Oro Valley	\$15,807,500
12	18. Improve State Route 90 near	
13	Fort Huachuca	\$10,600,000
14	19. Improve State Route 87 – local match	\$ 750,000
15	20. Study guardrail – shoulder of	
16	State Route 377 from Holbrook to Heber	\$ 140,000
17	21. Improve Hill Street Corridor in Globe	\$ 1,169,400

18 B. Notwithstanding section 41-1252, Arizona Revised Statutes, the
 19 appropriations made in subsection A of this section are not subject to
 20 review by the joint committee on capital review.

21 C. The appropriations made in subsection A of this section do not
 22 lapse until the purpose for which the appropriations were made has been
 23 accomplished or abandoned, or the appropriations stand for a full fiscal
 24 year without an expenditure or encumbrance.

25 D. Before transferring monies between the projects described in
 26 subsection A of this section, the department shall submit a report for
 27 review by the joint committee on capital review.

28 Sec. 2. Laws 2022, chapter 309, section 8, as amended by Laws 2023,
 29 chapter 135, section 3 and Laws 2025, chapter 235, section 1, is amended
 30 to read:

31 Sec. 8. Appropriations; department of transportation; highway
 32 construction; intent; reports; exemption; lapsing

33 A. The following amounts are appropriated from the state highway
 34 fund established by section 28-6991, Arizona Revised Statutes, in fiscal
 35 year 2022-2023 to the department of transportation for the following
 36 highway projects:

37	1. Design and construct additional vehicle	
38	lanes, separated by a lighted median,	
39	on Interstate 10 between State Route 85	
40	and Citrus Road	\$60,910,000

41 The legislature intends that:

42 (a) Not more than one hundred twenty days after the effective date
 43 of this section, the city of Buckeye contribute \$3,000,000 to the project
 44 described in this paragraph.

(b) The Maricopa association of governments collect and contribute at least \$10,000,000 from sources other than this state for the project described in this paragraph.

(c) The department use any federal discretionary monies awarded for the project described in this paragraph before spending the monies appropriated in this paragraph.

2. Improve Jackrabbit Trail between
Thomas Road and McDowell Road \$20,080,000
- The legislature intends that the city of Buckeye contribute \$5,020,000 to the project described in this paragraph.
3. Acquire right-of-way to extend State
Route 24 \$15,000,000
4. Rehabilitate pavement along United States
Route 60 between Loop 101
and Loop 202 \$38,482,000
5. Study the construction of an emergency
evacuation bridge in Lake Havasu City \$ 200,000
6. Construct roundabout at intersection of
State Route 69 and State Route 169 \$ 8,022,500
7. Study and design traffic interchange on
State Route 74 at Lake Pleasant Parkway \$ 5,000,000
8. Assess intersection of State Route 79 and
Hunt Highway \$ 100,000
9. Assess intersection of State Route 87
and Skousen Road \$ 100,000
10. Design traffic interchange on State
Route 89 at State Route 89A \$ 600,000
11. Rehabilitate pavement along State Route 90
between Campus Drive and the U.S. Border
Patrol Station in Huachuca City \$38,620,000
12. Rehabilitate pavement along United States
Route 191 between Mile Post 163 and
Mile Post 173 ~~\$22,152,000~~ \$16,239,900
13. Design and construct a screen wall along
Loop 101 between 51st Avenue and
59th Avenue \$ 9,514,000
14. Rehabilitate pavement along United States
Route 191 between Armory Road and
East Safford ~~\$16,481,000~~ \$14,865,500
15. Design to improve State Route 238 between
State Route 347 and Green Road \$ 800,000
16. Design work for State Route 303
Improvements from Interstate 17
to Lake Pleasant Parkway \$ 4,000,000

1	17.	Design work for the interchange at	
2		State Route 303 and Interstate 17	\$19,000,000
3	18.	Design, to widen lanes along RIGHT-OF-WAY	
4		ACQUISITION, UTILITY RELATION, NATURAL	
5		RESOURCE RECOVERY AND CONSTRUCTION TO	
6		IMPROVE STATE ROUTE 347, INCLUDING	
7		IMPROVING THE INTERSECTION ON STATE ROUTE	
8		347 AT CASA BLANCA ROAD AND CEMENT	
9		PLANT ACCESS, AND TO CONSTRUCT AN	
10		OVERPASS AT RIGGS ROAD AND State	
11		Route 347 between Interstate 10	
12		and city of Maricopa	\$19,000,000
13	19.	Assess intersection on State	
14		Route 389 at Arizona Avenue	\$ 100,000
15	20.	Distribute to the northern Arizona	
16		intergovernmental public	
17		transportation authority for	
18		capital costs of the Flagstaff	
19		downtown connection center	\$ 6,000,000
20	21.	Install lighting on the Sentinel exit	
21		in Gila Bend	\$1,085,000 \$762,500
22	22.	Conduct a tier 2 study for the	
23		North-South Corridor in Pinal county	\$15,000,000
24	23.	Conduct a tier 2 study for the Sonoran	
25		Corridor in Pima county	\$14,000,000
26	24.	Conduct a tier 2 study for Interstate 11	
27		in Maricopa county	\$25,000,000
28	25.	Design and construct a screen wall	
29		along the east side of Loop 101	
30		near 16th Street	\$7,250,000 \$ 6,365,000

B. Within thirty days after the last day of each calendar quarter, the department shall report to the joint legislative budget committee staff the projected cost and status of the projects for the appropriations made in subsection A of this section. The report shall include any impacts to the projects due to the increase in the cost of concrete.

C. Before transferring monies between the projects described in subsection A of this section, the department shall submit a report for review by the joint committee on capital review.

D. Notwithstanding section 41-1252, Arizona Revised Statutes, the appropriations made in subsection A of this section are not subject to review by the joint committee on capital review.

E. The appropriations made in subsection A of this section do not lapse until the purpose for which the appropriations were made has been accomplished or abandoned, or the appropriations stand for a full fiscal year without an expenditure or encumbrance.

Sec. 3. Laws 2023, chapter 135, section 8 is amended to read:

Sec. 8. Appropriations; state agency and administrative board capital projects

A. The amounts appropriated in this section are appropriated for fiscal year 2023-2024 to be used by the applicable agency or board for individual capital projects.

B. DEPARTMENT OF ADMINISTRATION

Electric vehicle charging and advance
fuel infrastructure \$ 5,000,000

Fund source:

State general fund \$ 5,000,000

C. STATE DEPARTMENT OF CORRECTIONS

1. Replace evaporative cooling statewide
with HVAC \$ 66,783,600

2. Statewide door, lock and fire systems
replacement \$ 48,650,600

Fund source:

State general fund \$115,434,200

D. DEPARTMENT OF EMERGENCY AND MILITARY AFFAIRS

Additional construction monies for
Surprise readiness center \$ 1,125,000

Fund source:

State general fund \$ 1,125,000

E. ARIZONA EXPOSITION AND STATE FAIR BOARD

Capital improvements \$ 3,802,100

Fund source:

Arizona exposition and state fair fund \$ 3,802,100

F. ARIZONA GAME AND FISH DEPARTMENT

1. Dam maintenance \$ 150,000

2. Hatchery maintenance \$ 400,000

3. Property maintenance \$ 300,000

4. Water conservation projects \$ 500,000

Fund sources:

Capital improvement fund \$ 850,000

Game and fish fund \$ 500,000

G. DEPARTMENT OF HEALTH SERVICES

1. State hospital water pump replacements \$ 209,000

2. State hospital water isolation valves \$ 200,000

Fund source:

Arizona state hospital fund \$ 409,000

1	H. ARIZONA STATE PARKS BOARD	
2	1. Capital improvements	\$ 3,034,400
3	2. Verde River state park	\$ 7,000,000
4	Fund sources:	
5	State general fund	\$ 7,000,000
6	State parks revenue fund	\$ 3,034,400
7	The Arizona state parks board shall establish a state park at the	
8	headwaters of the Verde River.	
9	The Arizona state parks board shall report to the joint committee on	
10	capital review and the governor's office of strategic planning and	
11	budgeting if the board revises the plan for any project for which monies	
12	are appropriated by this subsection because the board receives land and	
13	water conservation grant funding.	
14	I. ARIZONA PIONEERS' HOME	
15	1. Capital improvements	\$ 468,700
16	2. Cemetery columbarium	\$ 75,000
17	3. Cemetery parking	\$ 250,000
18	Fund source:	
19	Miners' hospital for miners with	
20	disabilities land fund	\$ 793,700
21	J. DEPARTMENT OF PUBLIC SAFETY	
22	Renovate Flagstaff aviation hangar	\$ 320,000
23	Fund source:	
24	State general fund	\$ 320,000
25	K. DEPARTMENT OF TRANSPORTATION	
26	1. Construct new maintenance facility in	
27	Keams Canyon	\$ 3,400,000
28	2. Replace vehicle fueling facilities in	
29	Springerville, Holbrook and Chambers	\$ 2,600,000
30	3. Electric vehicle charging and advance	
31	fuel infrastructure at department	
32	facilities open and accessible to the	
33	public, excluding rest areas	\$ 2,500,000
34	4. Electric vehicle charging and advance	
35	fuel infrastructure at department	
36	fleet facilities	\$ 5,000,000
37	5. 4. Renovate motor vehicle division in	
38	north Tucson	\$ 4,100,000
39	6. 5. Water conservation projects	\$ 2,500,000

1 ~~7.~~ 6. Planning of passenger rail
2 service from Phoenix to
3 Tucson \$ 3,500,000
4 Fund sources:
5 State general fund \$ 3,500,000
6 State highway fund \$ 20,100,000
7 Sec. 4. Laws 2023, chapter 135, section 10, as amended by Laws
8 2024, chapter 211, section 1 and Laws 2025, chapter 235, section 2, is
9 amended to read:
10 Sec. 10. Appropriations; department of transportation;
11 highway projects; exemption
12 A. The following amounts are appropriated from the state general
13 fund in fiscal year 2023-2024 to the department of transportation for the
14 following highway projects:
15 1. Improve the interchange at State Route
16 303 and U.S. Route 60 \$ 4,500,000
17 2. Distribute to the town of Clarkdale to
18 replace the current bridge over
19 Bitter Creek wash \$ 6,321,400
20 3. ~~Improve intersection on State Route 347~~
21 ~~at Casa Blanca Road and Cement~~
22 ~~Plant access~~
23 DESIGN, RIGHT-OF-WAY ACQUISITION,
24 UTILITY RELOCATION, NATURAL RESOURCE
25 RECOVERY AND CONSTRUCTION TO IMPROVE
26 STATE ROUTE 347, INCLUDING IMPROVING THE
27 INTERSECTION ON STATE ROUTE 347 AT CASA
28 BLANCA ROAD AND CEMENT PLANT ACCESS,
29 AND TO CONSTRUCT AN OVERPASS AT RIGGS ROAD
30 AND STATE ROUTE 347 \$18,000,000
31 4. Distribute to the city of Phoenix for
32 improvements on Happy Valley Road
33 between 35th Avenue and 67th Avenue \$12,500,000
34 The legislature intends that the city of Phoenix contribute
35 \$14,800,000 to the project described in this paragraph.
36 5. Distribute to the town of Prescott Valley
37 to improve Glassford Hill Road \$ 9,900,000
38 The department of transportation may distribute the monies
39 appropriated in this paragraph only if the town of Prescott Valley
40 demonstrates to the department that the town has a commitment for at least
41 \$1,100,000 in matching monies of gifts, grants and donations for
42 improvements to Glassford Hill Road from sources other than this state.

1	6.	Distribute to the city of Coolidge for	
2		Coolidge Avenue reconstruction between	
3		Christensen Road and Clemans Road	\$ 5,300,000
4	7.	Distribute to the city of Eloy for Sunland	
5		Gin Road Interstate 10 overpass and road	
6		improvements between Interstate 10 and	
7		Arica Road	\$ 5,000,000
8	8.	Distribute to the town of Marana for	
9		design costs for traffic interchange	
10		between Interstate 10 and Cortaro Road	\$10,000,000
11	9.	Distribute to the city of Douglas for road	
12		development and construction connecting	
13		the Douglas international commercial	
14		port of entry and State Route 80	\$ 8,170,000
15	10.	Distribute to the town of Patagonia for	
16		McKeown Avenue reconstruction between	
17		Fourth Avenue West and State Route 82	\$ 1,500,000
18	11.	Distribute to the city of Sierra Vista for	
19		Theater Drive corridor improvements	
20		between 7th Street and Carmichael	
21		Avenue	\$ 1,800,000
22	12.	Distribute to Graham county for	
23		intersection reconstruction at Norton	
24		Road and Reay Lane	\$ 500,000
25	13.	Distribute to Cochise county for	
26		Moson Road drainage and safety	
27		improvements between State Route 90	
28		and Hereford Road	\$ 6,100,000
29	14.	Improve U.S. Route 95 between Wellton	
30		Mohawk Canal Road and Aberdeen Road	\$33,300,000
31	15.	Distribute to Yuma county for	
32		U.S. Route 95 pavement	
33		rehabilitation between County	
34		22nd Street and County 11th Street	\$ 5,910,400
35	16.	Design work and engineer improvements on	
36		State Route 85 between mile post 123	
37		and Maricopa Road	\$ 6,500,000
38	17.	Construct turn lanes along State Route 95	
39		near Bullhead City	\$ 8,000,000
40	18.	Construct an emergency evacuation bridge	
41		in Lake Havasu City	\$35,500,000

1	19. Distribute to the town of Queen Creek	
2	to extend State Route 24 including a	
3	traffic interchange at State Route 24	
4	and Ironwood Road	\$59,800,000
5	Monies distributed to the town of Queen Creek for the project in	
6	this paragraph are eligible to be used for all necessary expenses from the	
7	current project status until completion. The town of Queen Creek must	
8	collaborate with Pinal county before spending the monies distributed for	
9	the project pursuant to this paragraph.	
10	20. Improve State Route 83 within	
11	Santa Cruz county	\$ 9,000,000
12	21. Distribute to the town of Cave Creek to	
13	study the construction of expanding	
14	lanes along Cave Creek Road between	
15	Loop 101 and Carefree Highway	\$ 250,000
16	22. Design a freeway interchange on	
17	Interstate 10 at Jackrabbit Trail	\$ 5,000,000
18	23. Distribute to the city of Phoenix to	
19	extend 43rd Avenue between Dove	
20	Valley Road and State Route 74	\$ 6,500,000
21	24. Design of State Route 87 intersection	
22	improvements at Arica Road and	
23	Shedd Road	\$ 700,000
24	25. Distribute to the town of Huachuca City	
25	for Skyline Drive reconstruction	
26	between State Route 90 and	
27	Huachuca City Landfill	\$ 1,565,200
28	26. Distribute to the town of Huachuca City	
29	for Skyline Pathway development along	
30	Skyline Drive between Gila Avenue	
31	and Edgewood Street	\$ 506,000
32	27. Distribute to the town of Pinetop-Lakeside	
33	for Porter Mountain Road improvements	
34	in the vicinity of Blue Ridge	
35	elementary school	\$ 2,242,200
36	28. Distribute to the city of Globe for	
37	sidewalk construction along Jesse Hayes	
38	Road and Six Shooter Canyon Road	\$ 3,501,100
39	29. Distribute to the city of Globe for	
40	Jesse Hayes Road bridge replacement	
41	and improvements at Pinal Creek	\$ 643,200
42	30. Distribute to the city of Globe for	
43	Cottonwood Street bridge replacement	
44	and improvements at Pinal Creek	\$ 632,500

1	31.	Distribute to Gila county for	
2		Houston Mesa Road improvements	
3		between State Route 260 and .4 miles	
4		south of Forest Road 198	\$ 243,600
5	32.	Distribute to the Canyon Water improvement	
6		district to make improvements to	
7		infrastructure, including fire hydrants	
8		and other related water needs	\$ 610,000
9	33.	Distribute to Graham county for	
10		Safford Bryce Road improvements in	
11		the vicinity of Talley Wash Crossing	\$ 1,781,500
12	34.	Distribute to the town of Thatcher for	
13		8th Street improvements between	
14		1st Avenue and 20th Avenue	\$ 4,526,400
15	35.	Repave U.S. Route 60 between Morristown	
16		and Wickenburg	\$10,500,000
17	36.	Distribute to the town of Winkelman for	
18		improvements to Golf Course Road and	
19		Quarelli Street	\$ 1,560,900
20	37.	Distribute to the town of Superior for	
21		Panther Drive bridge design and	
22		construction at Queen Creek	\$ 2,486,700
23	38.	Improve State Route 260 within	
24		Navajo county	\$ 4,250,000
25	39.	Distribute to the Navajo Nation for	
26		Improvements to N9402 Road near	
27		Lupton and Houck	\$10,000,000
28	40.	Distribute to Apache county for	
29		State Route 264 turn lane construction	
30		into the Ganado senior citizens center	
31		and veterans building development area	\$ 538,700
32	41.	Distribute to the city of Tucson for	
33		improvements to the Drexel Road	
34		bridge	\$15,000,000
35	42.	Distribute to Santa Cruz county for	
36		improvements to traffic interchange	
37		at Interstate 19 and Rio Rico Drive	
38		and traffic interchange at	
39		Interstate 19 and Ruby Road	\$ 8,600,000

40 B. Within thirty days after the last day of each calendar quarter,
 41 the department of transportation shall report to the joint legislative
 42 budget committee staff the projected cost and status of the projects for
 43 the appropriations made in subsection A of this section.

1 C. Before transferring monies between the projects described in
2 subsection A of this section, the department of transportation shall
3 submit a report for review by the joint committee on capital review.

4 D. Notwithstanding section 41-1252, Arizona Revised Statutes, the
5 appropriations made in subsection A of this section are not subject to
6 review by the joint committee on capital review.

7 Sec. 5. Laws 2024, chapter 211, section 6 is amended to read:

8 Sec. 6. Appropriation reduction; fiscal year 2021-2022;
9 appropriation; fiscal year 2028-2029; department of
10 veterans' services; veterans' home facility; site
11 selection; review; exemption

12 A. Notwithstanding any other law, the following amounts are reduced
13 from appropriations made to the following state agency in fiscal year
14 2021-2022 by Laws 2021, chapter 406, section 29 for the following project:

15 B. DEPARTMENT OF VETERANS' SERVICES

16 Veterans' home facility \$(25,000,000)

17 Fund source:

18 State general fund \$(25,000,000)

19 C. The sum of \$25,000,000 is appropriated from the state general
20 fund in fiscal year ~~2027-2028~~ 2028-2029 to the department of veterans'
21 services to construct and establish a veterans' home facility in the
22 northwestern portion of this state.

23 D. The appropriation made in subsection C of this section is
24 intended to be this state's share of the costs and is not subject to
25 expenditure for any purpose unless the department of veterans' services
26 has irrevocable commitments from the United States government to fund at
27 least sixty-five percent of the total costs.

28 E. The department shall submit the proposed site location in the
29 northwestern portion of this state to the Arizona veterans' service
30 advisory commission established by section 41-602, Arizona Revised
31 Statutes, for approval. The department shall provide the commission a
32 feasibility analysis of suitable sites to consider when approving the site
33 location.

34 F. Before spending the appropriation made in subsection C of this
35 section, the department of veterans' services shall submit the scope,
36 purpose and estimated cost of the capital improvements to the joint
37 committee on capital review for its review pursuant to section 41-1252,
38 Arizona Revised Statutes.

39 G. The appropriation made in subsection C of this section is exempt
40 from the provisions of section 35-190, Arizona Revised Statutes, relating
41 to lapsing of appropriations.

1 Sec. 6. Laws 2024, chapter 211, section 9, as amended by Laws 2025,
2 chapter 235, section 3, is amended to read:

3 Sec. 9. Appropriation reductions; appropriation; department
4 of transportation; Riggs Road overpass; fiscal
5 years 2020-2021, 2022-2023 and 2027-2028; fund
6 balance transfer; intent

7 A. Notwithstanding any other law, the following amounts are reduced
8 from appropriations made to the following state agency in fiscal year
9 2020-2021 by Laws 2021, chapter 406, section 33, as amended by Laws 2022,
10 chapter 33, section 1 and Laws 2023, chapter 135, section 1, for the
11 following project:

12 B. DEPARTMENT OF TRANSPORTATION

13 Construct an overpass at Riggs Road
14 and State Route 347 \$(25,000,000)

15 Fund sources:

16 State general fund \$(25,000,000)

17 C. Notwithstanding any other law, the following amounts are reduced
18 from appropriations made to the following state agency in fiscal year
19 2022-2023 by Laws 2022, chapter 309, section 12, as amended by Laws 2023,
20 chapter 135, section 5, for the following project:

21 D. DEPARTMENT OF TRANSPORTATION

22 Construct an overpass at Riggs Road
23 and State Route 347 \$(24,000,000)

24 Fund sources:

25 State highway fund \$(24,000,000)

26 E. Notwithstanding any other law, on or before June 30, 2024,
27 \$24,000,000 from the state highway fund established by section 28-6991,
28 Arizona Revised Statutes, is transferred to the state general fund for the
29 purposes of providing adequate support and maintenance for agencies of
30 this state. This amount reflects a portion of the revenues derived from
31 the tax levied by title 42, chapter 5, articles 1 and 5, Arizona Revised
32 Statutes, that were transferred to the state highway fund by Laws 2022,
33 chapter 321, section 20, subsection A, paragraph 2.

34 F. The sum of \$41,400,000 is appropriated from the state general
35 fund in fiscal year 2025-2026 to the department of transportation for
36 **DESIGN**, right-of-way acquisition, utility relocation, natural resource
37 recovery and construction of an overpass at riggs road and State
38 Route 347.

39 G. The sum of \$49,000,000 is appropriated from the state general
40 fund in fiscal year 2027-2028 to the department of transportation ~~to~~
41 ~~construct~~ **FOR DESIGN, RIGHT-OF-WAY ACQUISITION, UTILITY RELOCATION,**
42 **NATURAL RESOURCE RECOVERY AND CONSTRUCTION OF** an overpass at Riggs Road
43 and State Route 347. Consistent with this advance appropriation, the
44 legislature intends that ~~the overpass at Riggs Road and State Route 347~~

THE APPROPRIATION MADE IN THIS SUBSECTION be funded in fiscal year 2027-2028.

Sec. 7. Laws 2024, chapter 211, section 22 is amended to read:

Sec. 22. Supplemental appropriation; department of transportation; Riggs Road overpass; fiscal year 2023-2024

A. In addition to the appropriation made by Laws 2021, chapter 406, section 33, the following amounts are appropriated to the following state agency in fiscal year 2023-2024 for the following project:

B. DEPARTMENT OF TRANSPORTATION

~~Final design plan, right-of-way and easements for an overpass at Riggs Road and State Route 347~~

DESIGN, RIGHT-OF-WAY ACQUISITION, UTILITY RELOCATION, NATURAL RESOURCE RECOVERY AND CONSTRUCTION FOR AN OVERPASS AT RIGGS ROAD AND STATE ROUTE 347

\$ 1,500,000

Fund sources:

State highway fund \$ 1,500,000

Sec. 8. Laws 2024, chapter 211, section 29 is amended to read:

Sec. 29. Supplemental appropriation; department of transportation; State Route 347; fiscal year 2023-2024

A. In addition to the appropriation made by Laws 2023, chapter 135, section 10, the following amounts are appropriated to the following state agency in fiscal year 2023-2024 for the following project:

B. DEPARTMENT OF TRANSPORTATION

~~Improve intersection on State Route 347 at Casa Blanca Road and Cement Plant access~~

DESIGN, RIGHT-OF-WAY ACQUISITION, UTILITY RELOCATION, NATURAL RESOURCE RECOVERY AND CONSTRUCTION TO IMPROVE STATE ROUTE 347, INCLUDING IMPROVING THE INTERSECTION ON STATE ROUTE 347 AT CASA BLANCA ROAD AND CEMENT PLANT ACCESS, AND TO CONSTRUCT AN OVERPASS AT RIGGS ROAD AND STATE ROUTE 347

\$ 1,901,000

Fund sources:

State general fund \$ 1,901,000

Sec. 9. Laws 2025, chapter 235, section 8 is amended to read:

Sec. 8. Appropriations; state agencies and boards; capital projects

A. The amounts appropriated in this section are appropriated for fiscal year 2025-2026 to be used by the applicable agency or board for individual capital projects.

B. STATE DEPARTMENT OF CORRECTIONS

Replace fire, life alarm and suppression system at the Yuma state prison	\$ 8,500,000
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Fund source:

State general fund	\$ 8,500,000
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C. ARIZONA EXPOSITION AND STATE FAIR BOARD

Capital improvements	\$ 3,815,100
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Fund source:

Arizona exposition and state fair fund	\$ 3,815,100
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D. ARIZONA GAME AND FISH DEPARTMENT

1. Dam maintenance	\$ 150,000
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2. Hatchery maintenance	\$ 400,000
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3. Property maintenance	\$ 300,000
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4. Dam repairs at Black Canyon Lake and Fool Hollow Lake	\$ 6,850,000
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5. Hatchery repairs	\$ 4,700,000
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Fund sources:

Capital improvement fund	\$ 850,000
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Game and fish fund	\$ 11,550,000
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E. DEPARTMENT OF HEALTH SERVICES

1. State hospital isolation valve installation	\$	160,000
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2. State hospital anti-ligature renovations	\$ 695,000
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3. State hospital perimeter detection system replacement	\$ 83,000
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Fund source:

Arizona state hospital land fund	\$ 938,000
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F. DEPARTMENT OF JUVENILE CORRECTIONS

1. Fire line booster pumps replacement	\$ 536,600
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2. School door and lock replacements at Adobe Mountain school	\$ 303,000
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3. School kitchen air unit replacements at Adobe Mountain school	\$ 641,000
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Fund sources:

Criminal justice enhancement fund	\$ 1,361,900
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Department of juvenile corrections

Local cost sharing fund	\$ 118,700
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G. ARIZONA STATE PARKS BOARD

1. Capital improvements	\$ 3,633,300
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1 2. Verde River state park construction \$ 500,000
 2 Fund sources:
 3 State general fund \$ 500,000
 4 State parks revenue fund \$ 3,633,300
 5 H. ARIZONA PIONEERS' HOME
 6 1. Capital improvements \$ 470,400
 7 2. Facility window and door replacements \$ 1,515,000
 8 Fund source:
 9 Miners' hospital for miners with
 10 disabilities land fund \$ 1,985,400
 11 I. DEPARTMENT OF PUBLIC SAFETY
 12 1. Replace office buildings in
 13 Payson and Sanders \$ 2,000,000
 14 2. Upgrade electrical system at the department
 15 headquarters in Phoenix \$ 11,227,100
 16 Fund source:
 17 State general fund \$ 13,227,100
 18 J. DEPARTMENT OF TRANSPORTATION
 19 1. Improvements to vehicle repair shop
 20 in Avondale \$ 6,951,000
 21 2. Construct new maintenance offices in
 22 Little Antelope and Gray Mountain \$ 6,861,000
 23 3. Renovate Grand Canyon airport terminal \$ 850,300
 24 Fund sources:
 25 State highway fund \$ 13,812,000
 26 State aviation fund \$ 850,300
 27 The monies appropriated to the department of transportation to
 28 renovate the Grand Canyon airport terminal revert to the state aviation
 29 fund established by section 28-8202, Arizona Revised Statutes, on June 30,
 30 ~~2026~~ 2028 if the department does not receive a federal aviation
 31 administration grant for the project.
 32 K. DEPARTMENT OF VETERANS' SERVICES
 33 Replace HVAC at the Tucson veterans' home \$ 2,400,000
 34 Fund source:
 35 State general fund \$ 2,400,000
 36 The monies appropriated to the department of veterans' services to
 37 replace the HVAC at the Tucson veterans' home revert to the state general
 38 fund on June 30, ~~2026~~ 2027 if the department is not awarded a federal
 39 grant for the project. The department may apply for federal grant monies
 40 for the HVAC replacement project prior to review by the joint committee on
 41 capital review.

Sec. 10. Laws 2025, chapter 235, section 9 is amended to read:

Sec. 9. Appropriations; department of transportation; highway projects

A. The following amounts are appropriated from the state general fund in fiscal year 2025-2026 to the department of transportation for the following highway projects:

1. ~~Improve intersection on State Route 347 at Casa Blanca Road and Cement Plant Access Road~~
DESIGN, RIGHT-OF-WAY ACQUISITION,
UTILITY RELOCATION, NATURAL RESOURCE
RECOVERY AND CONSTRUCTION TO
IMPROVE STATE ROUTE 347, INCLUDING
IMPROVING THE INTERSECTION ON STATE ROUTE
347 AT CASA BLANCA ROAD AND CEMENT PLANT
ACCESS, AND TO CONSTRUCT AN OVERPASS AT
RIGGS ROAD AND STATE ROUTE 347 \$ 10,839,000
2. ~~Design to widen lanes along State Route 347 between Interstate 10 and the city of Maricopa~~
DESIGN, RIGHT-OF-WAY ACQUISITION,
UTILITY RELOCATION, NATURAL RESOURCE
RECOVERY AND CONSTRUCTION TO
IMPROVE STATE ROUTE 347, INCLUDING
IMPROVING THE INTERSECTION ON STATE ROUTE
347 AT CASA BLANCA ROAD AND CEMENT PLANT
ACCESS, AND TO CONSTRUCT AN OVERPASS AT
RIGGS ROAD AND STATE ROUTE 347 \$ 1,500,000
3. Design an additional right-hand
turn lane on northbound State Route
87 and State Route 260 near Payson \$ 2,129,800
4. Distribute to the city of Flagstaff to
design and construct a traffic light
signal at the intersection of Woody
Mountain Road and US Route 66 \$ 1,900,000

The department of transportation shall submit an intergovernmental agreement to the city of Flagstaff to design and construct a traffic light signal at the intersection of Woody Mountain Road and US Route 66 on or before September 15, 2025. If the city of Flagstaff agrees to the intergovernmental agreement, the monies appropriated in this paragraph to design and construct a traffic light signal at the intersection of Woody Mountain Road and US Route 66 shall be distributed to the city of Flagstaff on or before November 1, 2025.

1 Avenue between West County 10th Street and West County 11th Street on or
2 before September 15, 2025. If Yuma county agrees to the intergovernmental
3 agreement, the monies appropriated in this paragraph for the bridge
4 replacement project on Somerton Avenue between West County 10th Street and
5 West County 11th Street shall be distributed to Yuma county on or before
6 November 1, 2025.

7 11. Install traffic control systems along
8 State Route 389 near Colorado City \$ 1,500,000

9 12. Distribute to the city of Kingman for
10 Eastern Street infrastructure improvements \$ 1,500,000

11 The department of transportation shall submit an intergovernmental
12 agreement to the city of Kingman for the Eastern Street infrastructure
13 improvements project on or before September 15, 2025. If the city of
14 Kingman agrees to the intergovernmental agreement, the monies appropriated
15 in this paragraph for the Eastern Street infrastructure improvements
16 project shall be distributed to the city of Kingman on or before November
17 1, 2025.

18 13. Distribute to the city of Nogales for
19 improvements to Frank Reed Road \$ 1,500,000

20 The department of transportation shall submit an intergovernmental
21 agreement to the city of Nogales for improvements to Frank Reed Road on or
22 before September 15, 2025. If the city of Nogales agrees to the
23 intergovernmental agreement, the monies appropriated in this paragraph for
24 improvements to Frank Reed Road shall be distributed to the city of
25 Nogales on or before November 1, 2025.

26 14. Distribute to the city of Nogales for
27 improvements to Industrial Park Road \$ 2,900,000

28 The department of transportation shall submit an intergovernmental
29 agreement to the city of Nogales for improvements to Industrial Park Road
30 on or before September 15, 2025. If the city of Nogales agrees to the
31 intergovernmental agreement, the monies appropriated in this paragraph for
32 improvements to Industrial Park Road shall be distributed to the city of
33 Nogales on or before November 1, 2025.

34 15. Distribute to the city of Nogales for
35 Improvements to La Quinta Road \$ 1,800,000

36 The department of transportation shall submit an intergovernmental
37 agreement to the city of Nogales for improvements to La Quinta Road on or
38 before September 15, 2025. If the city of Nogales agrees to the
39 intergovernmental agreement, the monies appropriated in this paragraph for
40 improvements to La Quinta Road shall be distributed to the city of Nogales
41 on or before November 1, 2025.

1	16. Distribute to the city of Cottonwood for	
2	Main Street preservation and sidewalk	
3	Improvements	\$ 1,000,000

4 The department of transportation shall submit an intergovernmental
5 agreement to the city of Cottonwood for Main Street preservation and
6 sidewalk improvements on or before September 15, 2025. If the city of
7 Cottonwood agrees to the intergovernmental agreement, the monies
8 appropriated in this paragraph shall be distributed to the city of
9 Cottonwood on or before November 1, 2025.

10	17. Distribute to the city of Glendale for	
11	the 75th Avenue reconstruction project	\$ 3,000,000

12 The department of transportation shall submit an intergovernmental
13 agreement to the city of Glendale for the 75th Avenue reconstruction
14 project on or before September 15, 2025. If the city of Glendale agrees
15 to the intergovernmental agreement, the monies appropriated in this
16 paragraph shall be distributed to the city of Glendale on or before
17 November 1, 2025.

18	18.	Design traffic interchange and connecting	
19		arterial roadways at State Route 303	
20		and 155th Avenue	\$ 3,500,000

21 The legislature intends that a local government or council of
22 government entity contribute \$900,000 in matching monies to the project
23 described in this paragraph. The department may not expend any monies
24 appropriated in this paragraph until the department can confirm the
25 matching commitment to the project.

26	19. Design the repaving of Olga Frontage Road	
27	between mile post 366 and mile post 379	\$ 850,000

28 Building Renewal

29 Sec. 11. Capital outlay appropriations; major maintenance and
30 repair of state buildings

31 A. Notwithstanding section 41-793.01, Arizona Revised Statutes, the
32 amounts appropriated in this section are appropriated for fiscal year
33 2026-2027 to be used by the applicable agency for major maintenance and
34 repair activities for state buildings in accordance with title 41,
35 chapter 4, article 7, Arizona Revised Statutes.

36	B. DEPARTMENT OF ADMINISTRATION	\$15,154,000
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37 Fund sources:

37	State general fund	\$10,000,000
38	State general fund	\$10,000,000

39	Capital outlay stabilization fund	\$ 4,600,000
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40	Arizona state hospital land fund	\$ 554,000
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41 The department of administration shall allocate the monies to state
42 agencies for necessary building renewal. If monies in the capital outlay
43 stabilization fund established by section 41-792.01, Arizona Revised
44 Statutes, are insufficient to fund the appropriation to the department of

administration for building renewal, the appropriation to the department of administration is reduced by the difference between the amount appropriated to the department of administration from the capital outlay stabilization fund and the balance in the capital outlay stabilization fund. Notwithstanding title 41, chapter 4, article 7, Arizona Revised Statutes, the department of administration may use monies appropriated for building renewal in fiscal year 2026-2027 for building projects related to retrofitting facilities for space consolidation initiatives.

C. STATE DEPARTMENT OF CORRECTIONS \$ 15,652,200

Fund source:

Department of corrections building
renewal fund \$ 15,652,200

The state department of corrections may not spend any of this appropriation on personal services or overhead expenses related to managing the funded projects.

Notwithstanding section 41-797, Arizona Revised Statutes, the state department of corrections may spend not more than \$4,570,000 of the appropriation made in this subsection to construct new facilities to address capital needs as required by the court in the Jensen v. Thornell inmate health care litigation.

D. ARIZONA GAME AND FISH DEPARTMENT \$ 1,932,900

Fund source:

Game and fish fund \$ 1,932,900

E. ARIZONA STATE LOTTERY COMMISSION \$ 100,000

Fund source:

State lottery fund \$ 100,000

F. DEPARTMENT OF TRANSPORTATION \$ 24,574,100

Fund sources:

State highway fund \$ 24,158,500

State aviation fund \$ 415,600

Individual Projects

Sec. 12. Appropriations; state agencies and boards; capital projects

A. The amounts appropriated in this section are appropriated for fiscal year 2026-2027 to be used by the applicable agency or board for individual capital projects.

B. ARIZONA EXPOSITION AND STATE FAIR BOARD

Capital improvements \$ 3,905,900

Fund source:

Arizona exposition and state fair fund \$ 3,905,900

C. ARIZONA GAME AND FISH DEPARTMENT

1. Dam maintenance \$ 150,000

2. Hatchery maintenance \$ 400,000

1	3. Hatchery repairs	\$ 11,000,000
2	Fund sources:	
3	Capital improvement fund	\$ 550,000
4	Game and fish fund	\$ 11,000,000
5	D. ARIZONA STATE PARKS BOARD	
6	1. Capital improvements	\$ 3,552,200
7	2. Develop monitoring plan and install markers	
8	at Tonto Natural Bridge state park	\$ 200,000
9	Fund source:	
10	State parks revenue fund	\$ 3,752,200
11	E. ARIZONA PIONEERS' HOME	
12	Capital improvements	\$ 482,000
13	Fund source:	
14	Miners' hospital for miners with	
15	disabilities land fund	\$ 482,000
16	F. DEPARTMENT OF TRANSPORTATION	
17	1. Construct new materials lab in Kingman	\$ 5,038,000
18	2. Replace vehicle fueling facilities in	
19	Payson, Phoenix and Mesa	\$ 4,944,000
20	3. Design the renovation of the traffic signal	
21	and lighting warehouse in Phoenix	\$ 611,000
22	Fund source:	
23	State highway fund	\$ 10,593,000

Department of Transportation Statewide Highway Construction

25 Sec. 13. Appropriation; department of transportation;
26 statewide highway construction; reports; exemption

27 A. The amount appropriated in this section is appropriated for
28 fiscal year 2026-2027 to plan and construct state highways, including the
29 national system of interstate highways within this state, the state
30 primary or secondary system, the county primary or secondary system and
31 urban rural routes, to acquire rights-of-way and to provide for the costs
32 of contracted field administration and field engineering on construction
33 projects and debt service payments on bonds issued for highway
34 construction.

35 B. DEPARTMENT OF TRANSPORTATION \$432,663,000
36 Fund source:
37 State highway fund \$432,663,000

38 Any balances and collections in the state highway fund established
39 by section 28-6991, Arizona Revised Statutes, that exceed the specific
40 amounts appropriated in the general appropriations act and in this act are
41 appropriated to the department of transportation for the purposes provided
42 in this section.

43 C. On or before November 1, 2026, the department of transportation
44 shall report to the directors of the joint legislative budget committee

1 and the governor's office of strategic planning and budgeting on its
 2 actual prior year, estimated current year and upcoming budget year highway
 3 construction expenses from all fund sources, including appropriated
 4 monies, federal monies, local agency monies, state highway monies, bond
 5 proceeds and regional area road monies. The report shall be in the same
 6 format as in the prior year unless the directors of the joint legislative
 7 budget committee and the governor's office of strategic planning and
 8 budgeting have approved modifications to the format.

9 D. On or before November 1, 2026, the department of transportation
 10 shall report capital outlay information for fiscal years 2025-2026,
 11 2026-2027 and 2027-2028 to the directors of the joint legislative budget
 12 committee and the governor's office of strategic planning and budgeting.
 13 This information must appear in the same format as tables two, three and
 14 seven, as found in the fiscal year 2025-2026 appropriations report.

15 E. On or before November 1, 2026, the department of transportation
 16 shall report the department's estimated outstanding debt principal balance
 17 at the end of fiscal year 2027-2028 and the estimated debt service payment
 18 amount for each of fiscal years 2027-2028, 2028-2029, 2029-2030 and
 19 2030-2031 to the directors of the joint legislative budget committee and
 20 the governor's office of strategic planning and budgeting. This report
 21 must include state highway fund statewide construction bonds, Arizona
 22 highway user revenue fund bonds, Maricopa association of governments and
 23 Pima association of governments controlled access bonds, Maricopa regional
 24 area road fund bonds and grant anticipation notes and is intended to be
 25 comparable to the information in the fiscal year 2025-2026 appropriations
 26 report.

27 F. Notwithstanding section 41-1252, Arizona Revised Statutes, the
 28 appropriation made in this section is not subject to review by the joint
 29 committee on capital review.

30 Department of Transportation Airport Planning and Development

31 Sec. 14. Appropriation; department of transportation; airport
 32 planning and development; report; exemption

33 A. The amount appropriated in this section is appropriated in
 34 fiscal year 2026-2027 to plan, construct, develop and improve state,
 35 county, city or town airports as determined by the state transportation
 36 board.

37 B. DEPARTMENT OF TRANSPORTATION \$ 29,048,900

38 Fund source:

39 State aviation fund \$ 29,048,900

40 Any balances and collections in the state aviation fund established
 41 by section 28-8202, Arizona Revised Statutes, that exceed the specific
 42 amounts appropriated in the general appropriations act and in this act are
 43 appropriated to the department of transportation in fiscal year 2026-2027
 44 for the purposes provided in this section.

1 C. On or before December 31, 2026, the department of transportation
2 shall report to the joint legislative budget committee staff on the status
3 of all aviation grant awards and aviation grant distributions. The report
4 must delineate projects by individual airport and fiscal year, including
5 any future year commitments.

6 D. Notwithstanding section 41-1252, Arizona Revised Statutes, the
7 appropriation made in this section is not subject to review by the joint
8 committee on capital review.

9 Department of Transportation Appropriation Reductions

10 Sec. 15. Appropriation reduction; department of
11 transportation; fiscal year 2022-2023

12 Notwithstanding any other law, \$(1,052,600) is reduced from
13 appropriations made from the state general fund to the department of
14 transportation for U.S. Route 89 in fiscal year 2022-2023 by Laws 2022,
15 chapter 309, section 9, as amended by Laws 2023, chapter 135, section 4.

16 Sec. 16. Appropriation reduction; department of
17 transportation; fiscal year 2022-2023

18 Notwithstanding any other law, the following amounts are reduced
19 from appropriations made from the state highway fund to the department of
20 transportation in fiscal year 2022-2023 by Laws 2022, chapter 309, section
21 12, as amended by Laws 2023, chapter 135, section 5:

- | | |
|---|----------------|
| 22 1. Repave State Route 69 in Prescott Valley | \$ (1,819,000) |
| 23 2. Repave State Route 95 in Mohave county | \$ (6,052,200) |
| 24 3. Repair State Route 186 and State Business | |
| 25 Route 10 in Willcox | \$ (765,600) |

26 Sec. 17. Fund balance transfer; state highway fund; fiscal
27 year 2026-2027

28 A. Notwithstanding any other law, from and after July 1, 2026 and
29 on or before June 30, 2027, \$17,371,900 from the state highway fund
30 established by section 28-6991, Arizona Revised Statutes, is transferred
31 to the state general fund for the purposes of providing adequate support
32 and maintenance for the agencies of this state. This amount reflects a
33 portion of the revenues derived from the tax levied by title 42, chapter
34 5, articles 1 and 5, Arizona Revised Statutes, that were transferred to
35 the state highway fund by Laws 2022, chapter 321, section 20, subsection
36 A, paragraph 2.

37 B. The amount transferred in subsection A of this section consists
38 of appropriation reductions made in sections 2 and 16 of this act.

39 Sec. 18. Department of transportation; U.S. Route 191
40 pavement rehabilitation; transfer

41 A. On or before June 30, 2026, \$2,500,000 is transferred from the
42 state highway fund established by section 28-6991, Arizona Revised
43 Statutes, to the state general fund for the support and maintenance of
44 agencies of this state. This amount reflects a portion of the revenues

1 derived from the tax levied by title 42, chapter 5, articles 1 and 5,
2 Arizona Revised Statutes, that were transferred to the state highway fund
3 by Laws 2022, chapter 321, section 20, subsection A, paragraph 2.

4 B. The amount transferred in subsection A of this section reflects
5 the reduction of \$2,500,000 made by Laws 2022, chapter 309, section 8, as
6 amended by Laws 2023, chapter 135, section 3 and Laws 2025, chapter 235,
7 section 1, from the state highway project to rehabilitate pavement along
8 U.S. Route 191 between Armory Road and East Safford

9 Sec. 19. Department of transportation: Interstate 10:
10 exemption

11 The appropriations made in Laws 2025, chapter 235, section 4 to the
12 department of transportation for design and construction of additional
13 vehicle lanes, separated by a lighted median, on Interstate 10 between
14 State Route 85 and Citrus Road is exempt from the provisions of section
15 35-190, Arizona Revised Statutes, relating to lapsing of appropriations.

16 Sec. 20. Use of appropriations

17 A. The department of administration may spend up to five percent of
18 the amounts appropriated to the department in this act, excluding amounts
19 to be distributed to nonstate agencies, for expenditures for project
20 management of building renewal and capital projects. All other monies
21 appropriated to the department in this act may not be spent for personal
22 services or employee-related expenditures or for maintenance contracts on
23 building components and equipment without review by the joint committee on
24 capital review.

25 B. Except as provided in subsection A of this section, the monies
26 appropriated in this act may not be spent for personal services or
27 employee-related expenditures of state employees, excluding any services
28 provided as part of the inmate construction program for correctional
29 facilities.