

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-sixth Legislature - Second Regular Session

CAUCUS AGENDA

June 13, 2024

Bill Number	Short Title	Committee	Date	Action
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[Blue Sheet #14](#)

Committee on Appropriations

Chairman: David Livingston, LD 28

Vice Chairman: Joseph Chaplik, LD 3

Analyst: Austin Fairbanks

Intern: Luke Taylor

[HB 2897](#)_(BSI) general appropriations act; 2024-2025

SPONSOR: LIVINGSTON, LD 28 HOUSE
APPROP 6/13/2024 DP (9-7-1-0)
(No: BLATTMAN, CONTRERAS P, GUTIERREZ, PARKER B,
SCHWIEBERT, STAHL HAMILTON, AUSTIN Present: CHAPLIK)

[HB 2898](#)_(BSI) amusements; 2024-2025

SPONSOR: LIVINGSTON, LD 28 HOUSE
APPROP 6/13/2024 DP (9-7-1-0)
(No: BLATTMAN, CONTRERAS P, GUTIERREZ, PARKER B,
SCHWIEBERT, STAHL HAMILTON, AUSTIN Present: CHAPLIK)

[HB 2899](#)_(BSI) capital outlay; appropriations; 2024-2025

SPONSOR: LIVINGSTON, LD 28 HOUSE
APPROP 6/13/2024 DP (9-7-1-0)
(No: BLATTMAN, CONTRERAS P, GUTIERREZ, PARKER B,
SCHWIEBERT, STAHL HAMILTON, AUSTIN Present: CHAPLIK)

[HB 2900](#)_(BSI) commerce; 2024-2025

SPONSOR: LIVINGSTON, LD 28 HOUSE
APPROP 6/13/2024 DP (9-7-1-0)
(No: BLATTMAN, CONTRERAS P, GUTIERREZ, PARKER B,
SCHWIEBERT, STAHL HAMILTON, AUSTIN Present: CHAPLIK)

[HB 2901](#)_(BSI) criminal justice; 2024-2025

SPONSOR: LIVINGSTON, LD 28 HOUSE
APPROP 6/13/2024 DP (9-7-1-0)
(No: BLATTMAN, CONTRERAS P, GUTIERREZ, PARKER B,
SCHWIEBERT, STAHL HAMILTON, AUSTIN Present: CHAPLIK)

[HB 2902](#)_(BSI) environment; 2024-2025

SPONSOR: LIVINGSTON, LD 28 HOUSE
APPROP 6/13/2024 DP (9-7-1-0)
(No: BLATTMAN, CONTRERAS P, GUTIERREZ, PARKER B,
SCHWIEBERT, STAHL HAMILTON, AUSTIN Present: CHAPLIK)

[HB 2903](#)_(BSI) health care; 2024-2025
SPONSOR: LIVINGSTON, LD 28 HOUSE
APPROP 6/13/2024 DP (9-7-1-0)
(No: BLATTMAN, CONTRERAS P, GUTIERREZ, PARKER B,
SCHWIEBERT, STAHL HAMILTON, AUSTIN Present: CHAPLIK)

[HB 2904](#)_(BSI) higher education; 2024-2025
SPONSOR: LIVINGSTON, LD 28 HOUSE
APPROP 6/13/2024 DP (9-7-1-0)
(No: BLATTMAN, CONTRERAS P, GUTIERREZ, PARKER B,
SCHWIEBERT, STAHL HAMILTON, AUSTIN Present: CHAPLIK)

[HB 2905](#)_(BSI) human services; 2024-2025
SPONSOR: LIVINGSTON, LD 28 HOUSE
APPROP 6/13/2024 DP (9-7-1-0)
(No: BLATTMAN, CONTRERAS P, GUTIERREZ, PARKER B,
SCHWIEBERT, STAHL HAMILTON, AUSTIN Present: CHAPLIK)

[HB 2906](#)_(BSI) K-12 education; 2024-2025
SPONSOR: LIVINGSTON, LD 28 HOUSE
APPROP 6/13/2024 DP (9-7-1-0)
(No: BLATTMAN, CONTRERAS P, GUTIERREZ, PARKER B,
SCHWIEBERT, STAHL HAMILTON, AUSTIN Present: CHAPLIK)

[HB 2907](#)_(BSI) local government; 2024-2025
SPONSOR: LIVINGSTON, LD 28 HOUSE
APPROP 6/13/2024 DP (9-7-1-0)
(No: BLATTMAN, CONTRERAS P, GUTIERREZ, PARKER B,
SCHWIEBERT, STAHL HAMILTON, AUSTIN Present: CHAPLIK)

[HB 2908](#)_(BSI) state buildings; management; 2024-2025
SPONSOR: LIVINGSTON, LD 28 HOUSE
APPROP 6/13/2024 DP (9-7-1-0)
(No: BLATTMAN, CONTRERAS P, GUTIERREZ, PARKER B,
SCHWIEBERT, STAHL HAMILTON, AUSTIN Present: CHAPLIK)

[HB 2909](#)_(BSI) taxation; 2024-2025
SPONSOR: LIVINGSTON, LD 28 HOUSE
APPROP 6/13/2024 DP (9-7-1-0)
(No: BLATTMAN, CONTRERAS P, GUTIERREZ, PARKER B,
SCHWIEBERT, STAHL HAMILTON, AUSTIN Present: CHAPLIK)

[HB 2910](#)_(BSI) self-supporting regulatory agencies; funds; 2024-2025
SPONSOR: LIVINGSTON, LD 28 HOUSE
APPROP 6/13/2024 DP (9-7-1-0)
(No: BLATTMAN, CONTRERAS P, GUTIERREZ, PARKER B,
SCHWIEBERT, STAHL HAMILTON, AUSTIN Present: CHAPLIK)

[HB 2911](#)_(BSI) state budget implementation; 2024-2025
SPONSOR: LIVINGSTON, LD 28 HOUSE
APPROP 6/13/2024 DP (9-7-1-0)
(No: BLATTMAN, CONTRERAS P, GUTIERREZ, PARKER B,
SCHWIEBERT, STAHL HAMILTON, AUSTIN Present: CHAPLIK)

[HCR 2065](#)_(BSI) expenditure limit; school districts; authorization

SPONSOR: LIVINGSTON, LD 28

HOUSE

APPROP

6/13/2024

DP

(9-7-1-0)

(No: BLATTMAN, CONTRERAS P, GUTIERREZ, PARKER B,
SCHWIEBERT, STAHL HAMILTON, AUSTIN Present: CHAPLIK)



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
Second Regular Session

[HB 2897](#): general appropriations act; 2024-2025

**Sponsor: Representative Livingston (with permission of committee on Rules), LD 28
Committee on Appropriations**

Overview

Appropriates monies for the operation of the state government in FY 2025.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#) of the Constitution of Arizona requires the General Appropriations Act (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills prepared according to subject area.

Provisions

The tables below indicate state **ongoing** General Fund (GF) and **other fund** (OF) changes for appropriated state agencies in FY 2025 stated in terms of changes to the [FY 2025 JLBC Baseline](#).

Major footnotes are stated in terms of changes to the [FY 2024 General Appropriations Act](#).

Summary of Changes	Fund	Comments	FY 2025 Changes to JLBC Baseline
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Arizona Department of Administration (ADOA) (Sec. 14)			
Arizona State Hospital complaints	GF	1 Ombudsmen FTE	\$100,000
Eliminate southwest defense contracts	GF		\$(25,000)

1. Requires the amount appropriated for a school district health insurance actuarial study to be used to conduct an arterial study of the costs and benefits for school district optional participation in the state health insurance program.
2. Requires ADOA, by December 31, 2024, to submit a report to the Governor, the President of the Senate, the Speaker of the House of Representatives and the Director of Joint Legislative Budget Committee (JLBC) on the findings of the school district health insurance arterial study.

ADOA – School Facilities Division (SFD) (Sec. 15)

3. Authorizes SFD to use the unencumbered balance of up to \$24,613,700 in the New School Facilities Fund for facilities and land costs for school districts that received final approval from SFD by December 15, 2023.
4. Allows SFD to use the unencumbered balance of up to \$3,595,000 in the New School Facilities Fund for construction costs for the Pima Unified School District new high school construction project that received SFD approval by December 15, 2021.

Arizona Department of Agriculture (AZDA) (Sec. 6, 17)

Salt River horse liaison	GF	Reduce from full-time to part-time;	\$(25,000)
Centralize IT Position	GF		\$(81,000)

5. Exempts \$1,199,600 from AZDA's lump sum appropriation from lapsing until June 30, 2026.

Arizona Healthcare Cost Containment System (AHCCCS)

Formula	GF		\$6,300,000 FY 2026 \$15,700,000 FY 2027
Prescription Drug Rebate Fund shift	GF		\$(24,700,000)
Fraud reduction	GF	Service administrative staff to reduce fraud;	\$3,300,000
Invalid payments	GF	Reduced level of invalid payments from additional fee for service;	\$(3,300,000)

6. States the appropriated funds for the traditional Medicaid services includes \$4,098,200 from the state GF and \$8,059,900 from expenditure authority for inpatient payments to rural hospitals.
7. Directs of the appropriated monies for Proposition 204 that \$100,000,000 be used from the Hospital Assessment Fund to cover a portion of the nonfederal share of the costs of services and specifies this amount is included in the expenditure authority.
8. Allows AHCCCS, if any graduate medical education monies remain after every eligible graduate medical education programs in counties with a population less than 500,000, to fund the costs of graduate medical education programs operated by community health centers and rural health clinics.

Attorney General (AG) (Sec. 20)

9. Requires the appropriated monies for Veterans Substance Abuse Treatment grants be used for grants to veteran services organizations that treat opioid use disorder in conjunction with judicial programs that address substance abuse treatment and rehabilitation for veterans.
10. Directs the AG, before spending any monies appropriated for Veteran Substance Abuse Treatments, to submit an expenditure plan to JLBC for review.
11. Specifies that the Veteran Substance Abuse Treatments monies includes \$5,000,000 from opioid claims-related monies deposited into the Consumer Remediation Subaccount of the Consumer Restitution and Remediation Revolving Fund.
12. Exempts the FY 2024 \$12,000,000 appropriation from the Consumer Remediation Subaccount of the Consumer Restitution and Remediation Revolving Fund from lapsing until June 30, 2025.

Department of Child Safety (DCS) (Sec. 24)

Operating budget increase	GF	FY 2024 and 2025	\$13,300,000
Caseworkers	GF	Vacancy savings	\$(6,100,000)
Social Security payments	GF	Backfill Social Security payments no longer retained by state	\$3,000,000 FY 2024

			\$5,000,000 FY 2025
Administrative cost of new social security payment policy	GF		\$800,000 FY 2024 \$900,000 FY 2025
Shift preventive services to federal funds	GF		\$(5,500,000)
Community based child abuse prevention	GF		\$300,000
Children and Family Supports Contract Increase	GF		\$6,200,000 FY 2024 \$5,500,000 FY 2025
Permanent guardian caseload increase	GF		\$3,100,000 FY 2024 \$4,300,000 FY 2025
Backfill Loss of Federal Congregate Care Funds	GF	FY 2024	\$14,700,000
In-home mitigation utilization adjustment	GF	FY 2024	\$6,300,000
Out-of-Home Support Services Utilization Adjustment	GF	FY 2024	\$(6,300,000)
Kinship care surplus	GF		\$(8,600,000) FY 2024 \$(4,200,000) FY 2025
Foster care surplus	GF		\$(11,200,000) FY 2024 \$(11,400,000) FY 2025
Adoption surplus	GF		\$(10,400,000) FY 2024 \$(5,700,000) FY 2025
Extended foster care line-item surplus	GF	FY 2024	\$(6,700,000)
Federal expenditure authority savings	GF	FY 2024	\$(15,200,000)
Healthy families expansion	GF	Fund with federal monies;	\$(2,500,000)

13. Specifies the appropriated monies for caseworkers includes a onetime increase of \$19,700,000 from the state GF in FY 2024 for increased operating expenditures and exempts the monies from lapsing until June 30, 2025.
14. Requires DCS, by September 1, 2024, to submit a report to JLBC and the Governor's Office of Strategic Planning and Budgeting (OSPB) on actual operating expenses for the guardian case management system in FY 2024 and proposed system operating expenses for FY 2025.
15. Specifies the appropriated monies for preventive services includes \$264,400 from the state GF to draw down \$1,322,000 in additional federal monies associated with the community-based child abuse prevention block grant.
16. Stipulates, if child abuse prevention block grants are no longer available the appropriation is reduced by \$264,400 from the state GF and \$1,322,000 from expenditure authority.

Economic development marketing reduction	GF		\$(500,000)
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Community Colleges (Sec. 27)

Formula	GF		\$400,000
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Arizona Department of Corrections (ADC) – Inmate Healthcare

Vendor contract	GF		\$9,200,000 FY 2024 \$107,100,000 FY 2025
Medication	GF	Substance use disorder	\$40,700,000 FY 2024 \$55,000,000 FY 2025
IT upgrades	GF	Ongoing	\$4,800,000 FY 2024 \$16,000,000 FY 2025
Staff and overtime costs	GF	Includes 84 new FTEs	\$6,800,000
Inmate health care other costs	GF		\$2,700,000
Savings offsets	GF	Vacancy savings, Medicaid reimbursements	\$(39,800,000) FY 2024 \$(30,800,000) FY 2025
Savings offsets	GF	Marana prison	\$(9,700,000)

ADC

Repurpose community treatment for imprisoned women funding	GF	FY 2024	\$(2,000,000)
Substance abuse treatment reduction	GF		\$(1,500,000)
Private prisons capacity savings	GF		\$(800,000) FY 2024 \$(14,500,000) FY 2025

17. Allows ADC to spend \$2,000,000 from FY 2023 for the community treatment program for imprisoned women on community corrections expenditures in FY 2024.
18. Specifies that included in ADC's lump sum appropriation there is \$75,000,000 from the Consumer Remediation Subaccount of the Consumer Restitution and Remediation Revolving Fund and it is intended to offset past and current costs for care, treatment, programs and other expenditures for individuals with opioid use disorder and any substance use disorder or mental health conditions or for any specified purposes that are in the court order settlement.
19. Directs the appropriated monies for injunction-related IT upgrades be used to address information technology improvements as required by the court in the *Jensen V Thornell* inmate health care litigation and exempts the monies from lapsing until June 30, 2025.
20. Requires ADC to use the appropriated monies for noncontract medication to purchase medications to treat Hepatitis C and substance use disorder.

21. Requires ADC, before using any monies for noncontract medication, to submit an expenditure plan for JLBC review.
22. Exempts the monies for noncontract medication from lapsing until June 30, 2025.
23. Directs ADC, before spending private prison per diem monies on anything other than private prison costs, to submit an expenditure plan for JLBC review.

Board of Dental Examiners (Sec. 34)

24. Exempts the \$9,300 FY 2025 appropriation for annual leave payout from lapsing.

Department of Economic Security (DES)			
Formula	GF	Reversionment	\$24,800,000
Arizona Early Intervention Program (AZEIP)	GF	Reduce incremental AZEIP rate increase	\$(2,400,000)
Homeless youth assistance GF backfill delay	GF		\$(1,000,000)

25. Exempts the \$800,000 FY 2024 appropriation for Graham County Rehabilitation Center from lapsing until June 30, 2025.
26. Requires of the \$830,000 for Graham County Rehabilitation Center that \$800,000 be used to remodel the Graham County Rehabilitation facilities in Safford and Willcox.
27. Exempts the FY 2024 appropriated monies for the Group Home Monitoring Program from lapsing until June 30, 2026.
28. Prohibits DES from transferring any excess appropriation from the DDD premium tax payment, case management Medicaid, home and community-based services Medicaid, institutional services, Medicaid, physical and behavioral health services – Medicaid, Medicare clawback payments or targeted case management to anything outside of the developmental disabilities in FY 2024.

Arizona Department of Education (ADE) (Sec. 38)			
Eliminate FY 2024 Ex-Appropriation	GF		\$43,900,000
Formula	GF	TNT savings	\$(9,200,000)
Empowerment Scholarship Account (ESA) enrollment	GF	Limits ESA enrollment to 1.0 average daily membership (ADM)	\$(2,500,000)
Low-income weight increases	GF	Moves 3 rd year of incremental low-income weight increases to one-time	\$(37,000,000)
Additional assistance increases	GF	Moves 3 rd year of incremental additional assistance increases to one-time	\$(29,000,000)
Kindergarten entry assessment	GF		\$(1,500,000)
Highschool workforce/training	GF	Moves Continuing Highschool Workforce/Training Program base funding to one-time	\$(4,600,000)

Highschool workforce/training	GF	Moves continuing Highschool workforce/training program increase to one-time	\$(1,500,000)
Community College Adult Education Workforce Development Program	GF	Fund Community College Adult Education Workforce Development Program to one-time	\$(6,000,000)
Adult Workforce Diploma Program	GF		\$(6,000,000)
Adult education administration	GF		\$(150,000)
Reduce College Credit by Examination Program	GF		\$(3,700,000)

29. Directs ADE to allocate \$5,858,000 for onetime charter additional assistance supplement in FY 2025.
30. Instructs ADE to distribute the onetime allocation for charter additional assistance supplement to charter schools on a proportional basis based on the charter additional assistance funding that each charter in Arizona receives in FY 2025.
31. Requires ADE to allocate \$23,142,000 for onetime district additional assistance supplement in FY 2025.
32. Requires ADE to distribute the appropriated amount for onetime district additional assistance supplement to school districts on a proportional basis based on the district additional assistance funding that each district in Arizona receives in FY 2025.
33. Allows a school district to budget the monies it receives from the onetime district additional assistance supplement to the school district's maintenance and operation fund or unrestricted capital outlay fund.
34. Requires ADE to allocate \$37,000,000 for onetime free and reduced-price lunch (FRPL) group B weight supplement in FY 2025.
35. Directs ADE to distribute the appropriated amount for onetime FRPL group B weight supplement to school districts and charter schools on a pro rata basis using the weighted student count for FRPL students for the school district or charter school.
36. Allows a school district to budget the monies it receives from the onetime FRPL group B weight supplement in either the school district's maintenance and operation fund or unrestricted capital outlay fund.
37. Allows the FY 2023 appropriation for the East Valley Institute of Technology for transitional housing be used for former foster care youth as well as current foster care youth and increases the eligible age from 21 to 23.
38. Requires ADE to distribute the monies appropriated for the Arizona Holocaust Education Center for the creation and operation of the center as a resource for fulfilling statutory requirements by August 15, 2024.
39. Exempts the appropriation for the Arizona Holocaust Education Center from lapsing.
40. Specifies the appropriated monies for adult education includes a onetime \$6,160,000 allocation for continuing high school and workforce training program, \$3,000,000 for onetime deposit adult workforce diploma program and \$3,000,000 for onetime deposit in the community college adult education.
41. Requires ADE to allocate the appropriated amount for onetime school meal grants to school districts and charter schools that participate in the National School Lunch Programs or School Breakfast Program for grants to reduce or eliminate copayments that would otherwise be charged to children eligible for reduced-price meals.
42. Stipulates if the appropriated amount for school meal grants is insufficient to cover the grant awards for all eligible grantees ADE must reduce each grant proportionately to cover all eligible grantees.

Department of Emergency and Military Affairs (DEMA) (Sec. 39)			
Risk management	GF	Error adjustment	\$(600,000)

National Guard Matching	GF	Reduction; ongoing	\$(600,000)
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43. Specifies monies to assist local law enforcement fentanyl interdiction are from the Consumer Remediation Subaccount of the Consumer Restitution and Remediation Revolving Fund and consist of deposited monies related to opioid claims-related litigation or settlements.

Arizona Department of Environmental Quality (ADEQ) (Sec. 40)

44. Authorizes ADEQ to use up to \$400,000 from the Emissions Inspection Fund.
45. Requires ADEQ, before expending any Emissions Inspection Fund monies on operating costs, to report on the intended uses of monies to JLBC.

Arizona Exposition and State Fair Board (State Fair Board) (Sec. 44)

46. Strikes the footnote specifying \$2,000,000 of the State Fair Board's operating budget is for enhanced state fair operations.

Arizona Department of Forestry and Fire Management (DFFM) (Sec. 45)

Wildfire mitigation	GF	Reduction due to unused ADC inmate labor	\$(5,000,000)
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47. Exempts the \$27,026,700 for wildfire mitigation from lapsing until June 30, 2027.
48. Exempts the appropriated monies for hazardous vegetation removal from lapsing until June 30, 2026.

Arizona Department of Gaming (ADG)

Racing Division	GF	Eliminate racing purse enhancement funding	\$(5,000,000)
Racing Division	GF	Shift Horseracing Integrity and Safety Act costs to Racing Regulation Fund	\$(355,000)

49. Requires the monies appropriated for the Horseracing Integrity and Safety Act assessment to be used to by ADG during FY 2025 to pay the 2024 assessment.

Office of the Governor (Sec. 48)

50. Exempts the FY 2024 appropriation for the Missing Murdered Indigenous People Task Force from lapsing.

Department of Health Services (DHS) (Sec. 50)

AZ Care Check	GF	\$500K ongoing \$900K one-time	\$1,400,000
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51. Exempts the \$1,000,000 FY 2023 appropriation for behavioral health care provider loan repayment program from lapsing until June 30, 2025.
52. Exempts the FY 2023 appropriation for the accelerated nursing programs from lapsing until June 30, 2025.
53. Exempts the FY 2024 appropriation for nurse-family partnership programs from lapsing until June 30, 2027.
54. Exempts the \$1,000,000 FY 2025 appropriation for combating fentanyl from lapsing until June 30, 2026.

55. Specifies monies in the fentanyl overdose medication distribution are from the Consumer Remediation Subaccount of the Consumer Restitution and Remediation Revolving Fund and consists of deposited monies from opioid claims-related litigation or settlements.
56. Exempts the \$1,202,400 FY 2025 appropriation to support additional licensing compliance staff from lapsing until June 30, 2026.

Department of Homeland Security (AZDHS) (Sec. 53)

57. Allows AZDHS to use up to \$500,000 of statewide cybersecurity grant monies for grant administration.

Arizona Judiciary (Sec. 58)

Supreme Court

Probation IT System	GF		\$2,100,000
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State Land Department (Sec. 60)

Eliminate streambed navigability litigation	GF		\$(220,000)
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Operating budget	GF	Shift to Off-Highway Vehicle Fund	\$(200,000)
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Arizona State Mine Inspector (Sec. 66)

Aggregate Mining Land Reclamation	GF		\$(69,000)
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Board of Nursing (Sec. 69)

58. Exempts the \$450,000 FY 2024 appropriation for the Student Registered Nurse Anesthetist Clinical Rotation program from lapsing June 30, 2025.

Department of Public Safety (DPS) (Sec. 83)

Major incident division	GF	Cap at 60 FTEs	\$(8,500,000)
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Increase State Highway Fund (SHF)	GF	Increase SHF usage to cap	\$(3,600,000)
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Increase Local Border Support	GF		\$1,000,000
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Gang & Immigration Intelligence Team Enforcement Mission (GIITEM)	GF	Permanent vacancy savings	\$(700,000)
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GIITEM aid to other permanent vacancy savings	GF		\$(200,000)
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Pharmaceutical Diversion and Drug Theft Task Force	GF	Excess funding	\$(100,000)
Civil Air Patrol	GF	Maintenance and operations efficiencies	\$(6,000)

Arizona State Parks Board (Sec. 75)

59. Specifies an amount equal to the revenue share agreement with the United States Forest Service for Fool Hollow Lake recreation area and Catalina state park is appropriated to the Arizona State Parks Board from the State Parks Revenue Fund.

Arizona State Board of Pharmacy (Sec. 77)

- 60. Exempts the \$64,600 for annual leave payout from lapsing.
- 61. Exempts \$190,500 from FY 2023 for e-licensing system upgrades from lapsing until June 30, 2025.

Department of Real Estate (Sec. 84)

62. Stipulates that of the Department of Real Estate's lump sum appropriation \$400,000 is for information technology improvements.

Secretary of State (SOS) (Sec. 89)

Talking Book Library	GF		\$(62,000)
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- 63. Exempts the \$5,352,200 appropriation for the county allocation of Help America Vote Act election security grant monies from lapsing until June 30, 2025.
- 64. Requires the SOS, by January 31, 2025, to submit a report to JLBC and OSPB on the actual expenditures for election services.
- 65. Allows the SOS to make expenditures or incur indebtedness to employ outside or private attorneys if the SOS:
 - a) is named as a defendant.
 - b) believes a conflict exists that prevents the AG from representing the SOS; and
 - c) either remains a nominal party or is defending the constitutionality of a law or referendum enacted by the Legislature.
- 66. Allows the SOS to use up to \$250,000 of election services monies for direct costs related to the 2024 primary and general elections.

Arizona Office of Tourism (Sec. 92)

Reduction in Arizona Promotion	GF		\$(200,000)
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Arizona Department of Transportation (ADOT) (Sec. 93)

67. Specifies that ADOT's operating lump sum includes a \$3,000,000 reduction from the State Highway Fund in FY 2025 from ADOT's Enforcement and Compliance Division.

State Treasurer (Sec. 94)

Justices of the Peace	GF	Salaries reduction	\$(500,000)
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State Board of Technical Registration (Sec. 91)

68. Exempts \$167,700 from FY 2023 for e-licensing system upgrades from lapsing until June 30, 2025.

Universities (Sec. 96-99)

69. Declares it is the Legislature's intent for the School of Civic and Economic Thought and Leadership at Arizona State University, the Economic Policy Institute at Northern Arizona University and for the Center for the Philosophy of Freedom at the University of Arizona maintain the same funding level as FY 2023, except the universities may allocate the lump sum reduction of no more than 3.45% as prescribed by this Legislation.

Arizona Department of Water Resources (ADWR)

Arizona Water Protection Fund Deposit	GF	Reduction; ongoing	\$(500,000)
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70. Exempts the \$5,000,000 FY 2024 appropriation for statewide water resources planning from lapsing.

FY 2024 Supplemental Appropriations and Adjustments (Sec. 103-115)

Agency	Fund	Amount
ADOA – Pay Disallowed Costs – Risk Management Revolving Fund	OF	9,493,000
AHCCCS – Formula Adjustments – Children's Health Insurance Program Fund	OF	7,527,500
AHCCCS – Formula Adjustments	GF	(39,944,900)
Governor's OSPB – Retirement Cost Technical Adjustment	GF	204,600
JLBC – Retirement Cost Technical Adjustment	GF	204,600
Superior Court – Superior Court Judge's Compensation – Criminal Justice Enhancement Fund	OF	813,700
State Land Department – Central Arizona Project User Fees	GF	(206,700)
Board of Respiratory – Pay Outstanding Costs – Board of Respiratory Care Examiners Fund	OF	15,100
SOS – Conducting Logic and Accuracy Testing for the 2024 Primary Election	GF	100,000
ADWR – Develop, Modernize and Consolidate Applications – ADWR's Subaccount in the Automation Projects Fund (APF) to ADOA	OF	2,500,000
ADOA – Replace Human Resources Information System - Personnel Division Fund to HRIS Subaccount in APF	OF	3,100,000

FY 2024 Reductions (Sec. 116)

71. Reduces the following amounts from the GF in FY 2024 to the following agencies:

Agency	Amount
ADOA – Employee Compensation Study	(2,200,000)
Arizona Department of Agriculture – Expanded Information Technology Support	(300,000)

Arizona Commerce Authority – Rural Broadband Accelerated Match Fund	(23,600,000)
ADE – Art Consumables	(2,500,000)
ADE – Dual Enrollment Student Development Fund	(15,000,000)
ADE – Dual Enrollment Student Development Fund	(500,000)
ADE – Broadband Expansion Fund	(2,500,000)
Office of Tourism – Culinary Tourism Workforce Development	(250,000)

Independent Redistricting Commission (Sec. 117)

72. Reverts all remaining monies from the FY 2022 appropriation that are unexpended and unencumbered on June 30, 2024.

Rodeo (Sec. 118)

73. Exempts the \$15,000,000 FY 2024 appropriation for improvements to the Yavapai county fairgrounds from lapsing.

74. Specifies that if a court of competent jurisdiction rules that the monies may not be distributed to a nonprofit volunteer organization that operates a rodeo at the Yavapai county fairgrounds and the judgement is final and definitive, the AG must notify in writing to the Director of Legislative Council and monies revert to the state GF.

Water Infrastructure Finance Authority (WIFA) (Sec. 9)

75. Repeals the FY 2024 Brackish Groundwater Pilot Program administered by ADWR and reestablishes the program under WIFA.

FY 2024 Lapsing Exemptions (Sec. 119)

76. Exempts the following funds appropriated from the state GF in FY 2024 to the following agencies from lapsing:

Agency	Amount
ADOA – Fire Incident Management	12,200,000
Office of Economic Opportunity – Microbusiness Loan	5,000,000
ADE – Arizona Civics Education and Leadership Development Program	300,000
ADE – Early Education and Career Exploration Program	5,000,000
DHS – Collaborative Care Uptake Fund	1,000,000
AZDHS – Antihuman Trafficking Grant Fund	10,000,000
AZDHS – Nonprofit Security Grant Program	5,000,000
Arizona Department of Housing – Homeless Shelter and Services Fund	40,000,000
DPS – Fentanyl Prosecution, Diversion and Testing Fund	3,000,000
Arizona Board of Regents – Spouses and Dependents of Law Enforcement Officers Tuition Scholarship Fund	2,000,000

FY 2025 Appropriations and Adjustments

ADOA (Sec. 120)

77. Appropriates \$7,150,650 from the state GF in FY 2024 to ADOA for equal distribution to counties with a population of fewer than 900,000 persons according to the 2020 U.S. Decennial Census (2020 Census) to maintain essential county services.

78. Appropriates \$500,000 from the state GF in FY 2024 to ADOA for distribution to Graham County to maintain essential county services.

79. Appropriates \$3,000,000 from the state GF in FY 2024 to ADOA for equal distribution to counties with a population of fewer than 300,000 persons according to the 2020 Census to supplement the normal cost of the Elected Officials Retirement Plan (EORP) and to amortize unfunded accrued liability.

80. Allows the counties to use the distributed FY 2024 \$3,000,000 appropriation only for employer contributions to EORP.

Automation Projects Fund (APF) (Sec. 121)

81. Appropriates the following amounts in FY 2025 from the APF subaccounts to ADOA for the following automation and information technology projects:

Project	Subaccount	Amount
Medicaid Enterprise System Mainframe	Medicaid Enterprise System Modernization Subaccount	3,396,000
Human Resources Information System (HRIS)– Replacement	HRIS Subaccount	5,521,200
HRIS – Replacement	Automation Projects Fund	1,320,000
Integrated Tax System Modernization Project	DOR Subaccount	19,456,800

82. Directs ADOA to submit a quarterly report to JLBC on implementing projects approved by the Information Technology Authorization Committee that includes the project expenditures, deliverables, timeline for completion and current status.

83. Exempts the FY 2025 appropriations from the APF from lapsing until June 30, 2026.

84. Extends the lapsing date the following projects:

- a) \$2,114,300 from the ADOA Subaccount for a Business One-Stop Web Portal until June 30, 2025;
- b) \$2,000,000 from the APF for Arizona Department of Agriculture Cloud Migration until June 30, 2026; and
- c) \$2,500,000 from the Judiciary-Supreme Court Subaccount for statewide community supervision electronic monitoring system until June 30, 2027.

DES (Sec. 122)

85. Authorizes DES, beginning April 1, 2024, to use up to \$25,000,000 from the Budget Stabilization Fund (BSF) to provide funding for reimbursement grants.

86. Requires DES, before using the BSF monies, to notify the Director of JLBC and OSPB.

87. Requires the BSF appropriation to be fully reimbursed by September 1, 2024, and to be reimbursed in full as part of the closing process for FY 2024.

88. Prohibits the BSF appropriation from being used for additional programmatic expenditures.

FY 2025 Lump Sum Reductions (Sec. 123)

89. Reduces the following GF monies from the lump sum appropriations of the following budget units in FY 2025:

Agency	Lump Sum Reductions
ADOA	\$(300,000)
ADOA – School Facilities Division	\$(57,100)
Office of Administrative Hearings	\$(34,200)
Department of Agriculture	\$(671,500)
AHCCCS	\$(1,242,000)
Attorney General	\$(839,000)
Board for Charter Schools	\$(97,800)
Corporation Commission	\$(27,600)
Arizona Schools for the Deaf & the Blind	\$(897,000)

Office of Economic Opportunity	\$(21,000)
DES	\$(3,026,200)
Board of Education	\$(111,200)
ADE	\$(469,700)
State Board of Equalization	\$(30,000)
Department of Forestry & Fire Management	\$(248,600)
Governor's Office	\$(368,100)
Governor's Office of Strategic Planning and Budgeting	\$(101,400)
DHS	\$(719,200)
Arizona Historical Society	\$(83,500)
Prescott Historical Society	\$(35,000)
DIFI	\$(222,500)
Judiciary – Supreme Court	\$(386,300)
Judiciary – Court of Appeals	\$(508,200)
Judiciary – Superior Court	\$(180,100)
Department of Juvenile Corrections	\$(1,098,100)
Land Department	\$(148,000)
House of Representatives	\$(664,100)
JLBC	\$(107,800)
Legislative Council	\$(328,100)
Ombudsmen – Citizens Aide Office	\$(53,900)
Senate	\$(587,300)
Lottery Commission	\$(279,800)
Navigable Streams Commission	\$(6,000)
Real Estate Department	\$(110,400)
DOR	\$(1,748,200)
Secretary of State	\$(463,600)
Board of Tax Appeals	\$(13,000)
Tourism	\$(75,800)
Office of Tribal Relations	\$(2,400)
Arizona Board of Regents	\$(109,200)
Arizona State University	\$(10,995,800)
Northern Arizona University	\$(4,070,200)
University of Arizona – Main	\$(6,562,200)
University of Arizona – Health Services	\$(1,469,300)
Department of Veterans' Services	\$(108,200)

Department of Water Resources	\$(21,500)
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Debt Service Payments (Sec. 124-125)

- 90. Allocates \$25,998,700 of state GF revenue in FY 2025 to the Arizona Convention Center Development Fund.
- 91. Declares that the Rio Nuevo Multipurpose Facility District is estimated to receive \$17,000,000 from a portion of state transaction privilege tax revenues in FY 2025 and that the actual amount of distribution will be made as outlined in statute.

Fund Transfers (Sec. 126)

- 92. Transfers the following amounts from the following fund sources to the state GF by June 30, 2024 for the purpose of providing adequate support and maintenance for agencies of this state:

Fund	FY 2024	FY2025
Arizona Department of Administration		
Certificate of Participation Fund	\$2,600,000	
State Employee Travel Reduction Fund	\$900,000	
State Web Portal Fund	\$4,000,000	
Capitol Mall Consolidation Fund	\$700,000	
Fire Incident Management Fund	\$6,100,000	
Construction Insurance Fund	\$8,100,000	
Cyber Risk Insurance Fund	\$11,200,000	
Risk Management Fund	\$70,000,000	
ADOA-SFD Credit Enhancement Fund	\$3,000,000	
AHCCCS		
Prescription Drug Rebate Fund	\$40,000,000	
Arizona Board of Athletic Training		
Athletic Training Fund	\$250,000	
Attorney General		
Anti-Racketeering – Operations	\$2,600,000	
Anti-Racketeering – Pass Through	\$10,000,000	
Collection Enforcement Revolving Fund – Operating	\$200,000	
Barbering and Cosmetology Board		
Barbering and Cosmetology Fund	\$12,100,000	
Arizona Board of Behavioral Health Examiners		
Behavioral Health Examiner Fund	\$4,200,000	
Arizona Board of Chiropractic Examiners		
Chiropractic Examiners Board Fund	\$500,000	
Arizona Commerce Authority		
Arizona Competes Fund	\$55,700,000	
Arizona Corporation Commission		

Utility Regulation Revolving Fund	\$2,100,000	
Securities Regulation/Enforcement Fund	\$25,000,000	
Arizona Department of Corrections		
Corrections Fund	\$8,000,000	
Alcohol Abuse Treatment Fund	\$2,000,000	
Transition Program Fund	\$4,200,000	
Community Corrections Enhancement Fund	\$100,000	
Arizona Correctional Industries Revolving Fund		\$11,500,000
Arizona Criminal Justice Commission		
Criminal Justice Enhancement Fund	\$800,000	
Fingerprint Clearance Card Fund	\$700,000	
State Board of Dental Examiners		
Dental Board Fund	\$2,000,000	
Office of Economic Opportunity		
Office of Economic Opportunity Operations Fund	\$1,000,000	
Arizona Department of Economic Security		
Family Caregiver Grant Program Fund Transfer	\$700,000	
Special Administration Fund	\$4,000,000	
Economic Security Capital Investments Fund	\$500,000	
Arizona Department of Environmental Quality		
Air Quality Fee Fund	\$2,300,000	
Underground Storage Tank Fund	\$20,000,000	
Vehicle Emissions Inspection Fund	\$5,000,000	
Hazardous Waste Management Fund	\$900,000	
Emergency Response Fund	\$500,000	
Arizona Department of Education		
Adult Workforce Diploma Program Fund	\$3,000,000	
Community College Adult Education Workforce Development Program Fund	\$8,900,000	
Arizona Exposition and State Fair Board		
Arizona Exposition and State Fair Fund	\$5,000,000	
Board of Fingerprinting		
Board of Fingerprinting Fund	\$1,200,000	
Arizona Game & Fish Department		
Watercraft Licensing Fund	\$800,000	
Arizona Department of Health Services		
Disease Control Research Fund	\$1,300,000	
Prescription Drug Rebate Fund	\$1,000,000	

Health Services Lottery Fund	\$3,700,000	
Industrial Commission		
Administration Fund	\$2,400,000	
Special Fund	\$900,000	
Arizona Department of Insurance and Financial Institutions		
Financial Services Fund	\$18,400,000	
Insurance Examiners Revolving Fund	\$500,000	
Automobile Theft Authority Fund	\$8,800,000	
Captive Insurance Regulatory and Supervision Fund	\$300,000	
Financial Surveillance Fund	\$400,000	
Receivership Revolving Fund	\$800,000	
Arizona Department of Juvenile Corrections		
CJEF Distribution Fund	\$900,000	
Indirect Cost Recovery Fund	\$200,000	
Arizona State Land Department		
Risk Management Fund	\$300,000	
IGA and ISA Fund	\$24,000	
Trust Land Management Fund	\$34,000,000	
Arizona Department of Liquor Licenses and Control		
Liquor Licenses Fund	\$400,000	
K Fund Enforcement Surcharges Fund	\$200,000	
Arizona State Board of Massage Therapy		
Massage Therapy Board Fund	\$600,000	
Arizona Medical Board		
Medical Examiners Board Fund	\$9,300,000	
Arizona State Mine Inspector		
Aggregate Mining Reclamation Fund	\$39,000	
Naturopathic Physicians Medical Board		
Naturopathic Board Fund	\$1,700,000	
Arizona State Board of Nursing		
Nursing Board Fund	\$9,400,000	
Board of Occupational Therapy Examiners		
Occupational Therapy Fund	\$900,000	
Arizona Board of Optometry		
Board of Optometry Fund	\$400,000	
Board of Osteopathic Examiners		
Osteopathic Examiners Board Fund	\$2,800,000	

Arizona State Parks Board		
State Parks Revenue Fund (GF Share)	\$38,200,000	
Arizona State Board of Pharmacy		
Pharmacy Board Fund	\$6,300,000	
Arizona State Board of Physical Therapy		
Physical Therapy Fund	\$700,000	
Arizona Board of Psychologist Examiners		
Psychologist Examiners Board Fund	\$1,800,000	
Department of Public Safety		
Fingerprint Clearance Card Fund	\$3,900,000	
DPS Licensing Fund	\$100,000	
GIITEM Fund	\$1,000,000	
Records Processing Fund	\$200,000	
Public Safety Equipment Fund	\$500,000	
Residential Utility Consumer Office (RUCO)		
RUCO Revolving Fund	\$400,000	
Arizona Board of Technical Registration		
Technical Registration Board Fund	\$5,600,000	
Arizona Department of Transportation		
Economic Strength Project Fund	\$600,000	
Highway Damage Recovery Fund	\$1,000,000	
State Aviation Fund	\$15,000,000	
State Highway Fund – Interest Transfers	\$26,000,000	\$18,700,000 \$15,000,000 FY 2026 \$10,000,000 FY 2027
Abandoned Vehicles Administration Fund	\$400,000	
Shared Location and Advertisement Agreement Expense Fund	\$100,000	
Motor Vehicle Dealer Enforcement Fund	\$300,000	
Highway Expansion and Extension Loan Program Fund	\$4,000	
State Highway Fund Vehicle License Tax Transfer	\$3,000,000	\$3,000,000
AZ Highways Magazine Fund	\$500,000	
State Treasurer		
State Treasure's Operating Fund	\$900,000	
Arizona Veterinary Board		
Veterinary Medical Examiners Board Fund	\$1,700,000	
Water Infrastructure Finance Authority of Arizona (WIFA)		

Water Supply Development Revolving Fund	\$51,600,000	
Water Supply Development Revolving Fund Interest	\$8,100,000	
Long Term Water Augmentation Fund	\$78,000,000	
Long Term Water Augmentation Fund Interest	\$19,300,000	
Arizona Department of Water Resources		
Temporary Groundwater and Irrigation Efficiency Projects Fund	\$600,000	
Assured and Adequate Water Supply Fund	\$200,000	
Water Protection Fund	\$1,000,000	

Payment Deferrals (Sec. 132)

93. Continues to defer \$800,727,700 in basic state aid (BSA) and additional state aid (ASA) payments from ADE in FY 2025 until after June 30, 2025, but no later than July 12, 2025, and excludes charter schools and school districts with a student count less than 4,000 pupils from the deferral.
94. Directs ADE to make the deferral by reducing the apportionment of state aid for each month in the fiscal year by the same amount.
95. Requires ADE to disburse the FY 2026 appropriations of \$800,727,700 to the counties for the school districts starting July 1, 2025, and no later than July 12, 2025, in amounts equal to the reductions in the apportionment of BSA and ASA.
96. Requires school districts to include, in the revenue estimates used for computing FY 2025 tax rates, the deferred appropriation monies that the districts will receive.

State Operating Adjustments (Sec. 133-134)

Adjustment	GF	OF	Total
Employer Health Insurance Contribution Reduction	(72,766,200)	(21,596,800)	(94,363,000)
Employer Health Insurance Contribution Increase	140,000,000	60,000,000	200,000,000
State Fleet Rate Reduction	(8,195,100)	(5,453,800)	(13,648,900)
State Fleet Rate Increase	3,299,000	1,625,000	4,924,000
Human Resources Information System Charge Reduction	(8,009,300)	(4,644,700)	(12,654,000)
Arizona Financial Information System Adjustment	(834,000)	(839,700)	(1,673,700)
Agency Retirement Adjustment	7,180,000	500,000	7,680,000
Agency Rent Adjustment	0	160,000	160,000

97. Outlines statewide adjustment instructions and procedures.
98. Lists the FY 2025 individual agency charges totaling \$1,798,500 for general agency counsel provided by the Attorney General.

FY 2026 Appropriations (Sec. 135)

99. Appropriates \$45,077,100 from the state GF in FY 2026 for a onetime deposit in the New School Facilities Fund.
100. Instructs the School Facilities Division (SFD) to use monies only for facilities that will be constructed for school districts that received final approval from SFD by December 15, 2023.

Miscellaneous (Sec. 136-146)

101. Declares the Legislature's intent that all departments, agencies, and budget units receiving appropriations continue to report actual, estimated and requested expenditures in a specified format.
102. Contains various reporting requirements.
103. Defines terms.

Prop 105 (45 votes) Prop 108 (40 votes) Emergency (40 votes) Fiscal Note



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
Second Regular Session

[HB 2898: amusements; 2024-2025](#)

**Sponsor: Representative Livingston (with permission of committee on Rules), LD 28
Committee on Appropriations**

Overview

Contains provisions relating to amusements needed to implement the FY 2025 budget.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#) of the Constitution of Arizona requires the General Appropriations Act (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills. These bills are prepared according to subject area.

Provisions

1. Reduces, as session law, the amount of monies that is annually deposited into the Arizona Competes fund from the Arizona Lottery Fund, in FY 2025 through FY 2027, from \$3,500,000 to \$1,750,000. (Sec. 2, 3, 6)
2. Continues for FY 2025, as session law, to set the Arizona Department of Gaming's (ADG) regulatory assessment to 0.5% of the amounts wagered on live and simulcast races from in-state and out-of-state wagering handled by a commercial racing permittee. (Sec. 4)
3. Allows, as session law, ADG, for race meetings in the years 2024 and 2025, to allow for gate approval of all tested horses within 60 days of the race in which the horse is entered. (Sec. 5)
4. Instructs ADG to amend the administrative code to allow for gate approval of all tested horses within 60 days of the race in which the horse is entered. (Sec. 5)
5. Changes the time period in which the amount of monies in the Exposition and State Fair Board Permanent Revolving Fund cannot exceed \$400,000 from between October 1 and November 30 to between 15 days before and 15 days after the annual Arizona State Fair. (Sec. 1)



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
Second Regular Session

HB2899: capital outlay; appropriations; 2024-2025 Sponsor: Representative Livingston, LD 28 Committee on Appropriations

Overview

Makes capital appropriations, reductions and transfers of appropriations to state agencies in FY 2025.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#), Constitution of Arizona, requires the General Appropriations Act (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills. These bills are prepared according to subject area.

Provisions

Building Renewal (Sec. 1)

1. Appropriates the following amounts to the specified agencies in FY 2025 for the maintenance and repair of state buildings:

Arizona Department of Administration (ADOA)

- a) \$19,000,000 from the Capital Outlay Stabilization Fund (COSF);
 - i. Requires ADOA to allocate these monies to state agencies for necessary building renewal;
 - ii. Reduces the appropriation from COSF to the amount available in that fund if the monies in COSF are insufficient to fund the full appropriation; and
 - iii. Allows the monies to be used for retrofitting facilities for space consolidation;

Arizona Department of Corrections (DOC)

- b) \$5,864,300 from the Department of Corrections Building Renewal Fund;
- c) \$2,692,700 from the Prison Construction and Operations Fund;
 - i. Restricts DOC from spending these monies on personal services or overhead expenses related to managing the funded projects.

Arizona Game and Fish Department (AZGF)

- d) \$1,795,000 from the Game and Fish Fund;

Arizona State Lottery Commission (ASLC)

- e) \$218,200 from the State Lottery Fund;

Arizona Department of Transportation (ADOT)

- f) \$22,082,800 from the State Highway Fund (SHF); and
- g) \$457,300 from the State Aviation Fund.

Individual Capital Projects (Sec. 2)

2. Appropriates the following sums of money to be used by each agency for the indicated individual capital projects in FY 2025:

Arizona Exposition and State Fair Board

- a) \$3,771,400 from the Arizona Exposition and State Fair Fund for capital improvements;

Arizona State Parks Board (ASPB)

- b) \$3,022,000 from the State Parks Revenue Fund (SPRF);
 - i. Requires ASPB to report to the Joint Committee on Capital Review (JCCR) and the Governor's Office of Strategic Planning and Budgeting (OSPB) if ASPB revises the plan for any project for

which these monies are appropriated because the ASPB receives land and water conservation grant funding;

Arizona Pioneers' Home

- c) \$465,000 from the Miners' Hospital for Miners with Disabilities Land Fund for capital improvements;

ADOT

- d) \$9,088,200 from the SHF for additional vehicle fueling replacement funding for facilities located in Flagstaff, Needle Mountain, Kingman, Tucson, Willcox, Three Points, Saint David, Springerville, Chambers and Holbrook.

ADOT Statewide Highway Construction Projects (Sec. 3)

- 3. Appropriates \$462,488,000 from the SHF in FY 2025 to plan and construct state highways, including the national system of interstate highways within this state, the state primary or secondary system, the county primary or secondary system and urban rural routes, to acquire rights-of-way and to provide for the cost of contracted field administration and field engineering on construction projects and debt service payments on bonds issued for highway construction;
 - a. States that any balances and collections in the SHF that exceed the specific amounts appropriated in the General Appropriations Act and in this Capital Outlay Act for FY 2025 are appropriated to ADOT for purposes related to Statewide Highway Construction Projects.
- 4. Requires ADOT, by November 1, 2024, to report to the directors of the Joint Legislative Budget Committee (JLBC) and OSPB on its actual prior year, estimated current year and upcoming budget year highway construction expenses from all fund sources, including appropriated monies, federal monies, local agency monies, state highway monies, bond proceeds and regional area road monies.
- 5. Directs ADOT, by November 1, 2024, to report capital outlay information for FYs 2024 through 2026, to the directors of JLBC and OSPB as prescribed.
- 6. Requires ADOT, by November 1, 2024, to report ADOT's estimated outstanding debt principal balance at the end of FY 2026 and the estimated debt service payment amount for each of FYs 2026 through 2029, to the directors of JLBC and OSPB. This report must include SHF statewide construction bonds, Arizona Highway User Revenue Fund bonds, Maricopa Association of Governments and Pima Association of Governments controlled access bonds, Maricopa Regional Area Road Fund bonds and grant anticipation notes and is intended to be comparable to the information in the FY 2024 appropriations report.
- 7. Exempts the \$462,488,000 appropriation from JCCR review.

ADOT Airport Planning and Development (Sec. 4)

- 8. Appropriates \$25,550,000 from the State Aviation Fund (SAF) in FY 2025 to plan, construct develop and improve state, county, city or town airports as determined by the State Transportation Board;
 - a. States that any balances and collections in the SAF that exceed the specific amounts appropriated in the General Appropriations Act and in the Capital Outlay Act for FY 2025 are appropriated to ADOT in FY 2025 for purposes related to Airport Planning and Development.
- 9. Directs ADOT, by December 31, 2024, to report to JLBC staff on the status of all aviation grant awards and aviation grant distributions. The report must delineate projects by individual airport and fiscal year, including any future year commitments.
- 10. Exempts the \$25,550,000 appropriation from JCCR review.

Appropriation Reductions and Reappropriation

- 11. Reduces by \$25,000,000 the appropriation made from the GF in Laws 2021, Chapter 406, for the veterans' home facility. (Sec. 5)
- 12. Appropriates \$25,000,000 from the GF in FY 2028 to Department of Veterans' Services (ADVS) to construct and establish a veterans' home facility in the northwestern portion of this state:

- a. States that the appropriation is intended to be this state's share of the costs and is not subject to expenditure for any purpose unless the ADVS has irrevocable commitments from the United States government to fund at least 65% of the total cost. (Sec. 5)
13. Requires ADVS to submit the proposed site location in the northwestern portion of this state to the Arizona Veterans' Service Advisory Commission (Commission) for approval and to provide the Commission a feasibility analysis of suitable sites to consider when approving the site location. (Sec. 5)
14. Directs ADVS, before spending the \$25,000,000 appropriation, to submit the scope, purpose and estimated cost of the capital improvements to the JCCR for review. (Sec. 5)
15. Exempts the \$25,000,000 appropriation from lapsing. (Sec. 5)
16. Reduces the following amounts from the GF appropriations made in FY 2023 by Laws 2022, Chapter 309 to ADOA for the following projects:
 - a. \$12,875,800 for building renewal;
 - b. \$68,600 for building demolition; and
 - c. \$48,263,600 for the West Adams building renovations. (Sec. 6)
17. Reduces the following amounts from the GF appropriations made in FY 2024 by Laws 2023, Chapter 135 for the following projects:
 - a. For ADOA, \$22,539,500 for building renewal and \$5,000,000 for electric vehicle charging and advance fuel infrastructure; and
 - b. For ADC, \$19,379,100 for building renewal and \$56,983,600 to replace evaporative cooling statewide with HVAC. (Sec. 7)
18. Decreases the following amounts from ADOT for the construction of an overpass at Riggs Road and State Route 347:
 - a. \$25,000,000 from the GF appropriations made in FY 2021 by Laws 2021, Chapter 406; and
 - b. \$24,000,000 from SHF appropriations made in FY 2023 by Laws 2022, Chapter 309, as amended by Laws 2023, Chapter 135. (Sec. 8)
19. Transfers \$24,000,000 from the SHF, by June 30, 2024, to the GF for the purposes of providing adequate support and maintenance for agencies of this state. (Sec. 8)
20. Appropriates \$49,000,000 from the GF in FY 2028 to ADOT to construct an overpass at Riggs Road and State Route 34. (Sec. 8)
21. Reduces the following amounts from ADOT to design and construct additional vehicle lanes, separated by a lighted median, on Interstate 10 between State Route 85 and Citrus Road:
 - a. \$55,910,000 from SHF appropriations made in FY 2023 by Laws 2022, chapter 309, as amended by Laws 2023, Chapter 135; and
 - b. \$52,090,000 from the GF appropriation made in FY 2024 by Laws 2023, Chapter 135. (Sec. 9)
22. Transfers \$55,910,000 from the SHF, by June 30, 2024, to the GF for the purposes of providing adequate support and maintenance for agencies of this state. (Sec. 9)
23. Appropriates \$108,000,000 from the GF in FY 2028 to ADOT to design and construct additional vehicle lanes, separated by a lighted median, on Interstate 10 between State Route 85 and Citrus Road. (Sec. 9)
24. Reduces \$29,343,200 from SHF appropriations made to ADOT in FY 2023 by Laws 2022, Chapter 309, for the rehabilitation pavement on road projects selected pursuant to Laws 2021, Chapter 406. (Sec. 10)
25. Transfers \$29,343,200 from the SHF, by June 30, 2024, to the GF for the purposes of providing adequate support and maintenance for agencies of this state. (Sec. 10)
26. Decreases \$10,000,000 from the GF appropriations made to ADOT in FY 2024 by Laws 2022, Chapter 309, to improve State Route 97 near Bagdad. (Sec. 11)

27. Reduces \$41,000,000 from the GF appropriations made to ADOT in FY 2024 by Laws 2023, Chapter 135, for pavement rehabilitation projects. (Sec. 12)
28. Transfers \$38,237,100 from the SPRF, by June 30, 2024, to the GF for the purposes of providing adequate support and maintenance for agencies of this state. (Sec. 13)
29. Requires ASPB, by September 1, 2024, to submit an expenditure report to the JCCR that describes how monies appropriated from the SPRF by Laws 2022, Chapter 309 will be allocated for listed capital projects after deducting the amount of the transfer. ASPB may only spend monies for capital projects that were favorably reviewed by the JCCR before the effective date. (Sec. 13)

ADOT Highway Project Reallocations

30. Reduces \$2,095,000 from the GF appropriations made to ADOT in FY 2021 by Laws 2021, Chapter 406 to improve State Route 90 near Fort Huachuca. (Sec. 14)
31. Appropriates \$939,100 from the SHF in FY 2024 to ADOT to construct a roundabout at intersection of State Route 69 and State Route 169, in addition to the appropriation made by Laws 2022, Chapter 309, as amended by Laws 2023, Chapter 135. (Sec. 15)
32. Reduces \$2,436,000 from SHF appropriations made to ADOT in FY 2023 by Laws 2022, Chapter 309 to conduct a tier two study for the Sonoran Corridor in Pima county. (Sec. 16)
33. Decreases \$3,300,000 from SHF appropriations made to ADOT in FY 2023 by Laws 2022, Chapter 309, as amended by Laws 2023, Chapter 135, to improve State Route 90 from Moson Road to Campus Drive. (Sec. 17)
34. Reduces \$4,000,000 from SHF appropriations made to ADOT in FY 2023 by Laws 2022, Chapter 309, to design work for the interchange at State Route 303 and Interstate 17. (Sec. 18)
35. Decreases \$8,720,000 from SHF appropriations made to ADOT in FY 2023 by Laws 2022, Chapter 309, to rehabilitate pavement along State Route 90 between Campus Drive and the U.S. Border Patrol station in Huachuca City. (Sec. 19)
36. Reduces \$7,038,200 from SHF appropriations made to ADOT in FY 2023 by Laws 2022, Chapter 309, to rehabilitate pavement along United States Route 191 between Armory Road and East Safford. (Sec. 20)
37. Appropriates \$1,500,000 from the SHF in FY 2024 to ADOT for final design plan, right-of-way and easements for an overpass at Riggs Road and State Route 347, in addition to the appropriation made by Laws 2021, Chapter 406. (Sec. 21)
38. Reduces \$500,000 from the GF appropriations made to ADOT in FY 2024 by Laws 2023, Chapter 135, to improve the interchange at State Route 303 and U.S. Route 60. (Sec. 22)
39. Appropriates \$315,000 from the GF in FY 2024 to ADOT for design of State Route 87 intersection improvements at Arica Road and Shedd Road, in addition to the appropriation made by Laws 2023, Chapter 135. (Sec. 23)
40. Appropriates \$1,100,000 from the SHF in FY 2024 to ADOT to improve State Route 83 within Santa Cruz county, in addition to the appropriation made by Laws 2023, Chapter 135. (Sec. 24)
41. Appropriates \$12,600,500 from the SHF in FY 2024 to ADOT for design work and engineer improvements on State Route 85 between mile post 123 and Maricopa Road, in addition to the appropriation made by Laws 2023, Chapter 135. (Sec. 25)
42. Appropriates \$172,200 from the GF in FY 2024 to ADOT to improve State Route 260 within Navajo county, in addition to the appropriation made by Laws 2023, Chapter 135. (Sec. 26)
43. Appropriates, in addition to the appropriation made by Laws 2023, Chapter 135, the following amounts to ADOT in FY 2024 to repave U.S. Route 60 between Morristown and Wickenburg:
 - a. \$206,800 from the GF; and

- b. \$220,900 from the SHF. (Sec. 27)
- 44. Appropriates \$1,901,000 from the GF in FY 2024 to ADOT to improve intersection on State Route 347 at Casa Blanca Road and Cement Plant access, in addition to the appropriation made by Laws 2023, Chapter 135. (Sec. 28)
- 45. Transfers \$9,133,700 from the SHF, by June 30, 2024, to the GF for the purposes of providing adequate support and maintenance for agencies of this state. (Sec. 29)

JCCR Project Reviews

- 46. Declares that the following projects have been favorably reviewed by JCCR:
 - a. \$2,600,000 for the following AZGF capital projects to:
 - i. replace underground valves at the Canyon Creek Hatchery;
 - ii. insulate the spring on the Cold Springs Ranch property against outside contaminants;
 - iii. replace a portion of a water pipeline at the House Rock Wildlife Area;
 - iv. realign and install piping in a diversion ditch at the Sipe Wildlife Area; and
 - v. construct an equipment storage building at Becker Lake Wildlife 36 Area;
 - b. \$214,200 for ASLC building renewal projects for structural repairs of the ASLC's facility in Phoenix;
 - c. \$250,000 for the Arizona Pioneer's Home project to improve the cemetery parking lot;
 - d. \$63,000,000 for Arizona State University (ASU) system revenue bond issuances to implement information technology infrastructure improvements;
 - e. \$22,000,000 for ASU system revenue bond issuances to fund a utility expansion project on the Tempe campus;
 - f. \$16,375,000 for Yavapai college bond projects to finance the creation of centers for learning and innovation, capital improvement projects and software system upgrades; and
 - g. \$8,704,900 for the ADC to purchase HVAC units and electrical equipment for installation at the Eyman prison complex. (Sec. 30)
- 47. Applies the following financing provisions to the ASU projects deemed to have been favorably reviewed by JCCR:
 - a. the favorable review does not constitute endorsement of GF appropriations to offset any revenues that may be required for debt service or any operations and maintenance costs when the project is complete;
 - b. ASU must provide the final debt service schedule and interest rate for the projects to JCCR as soon as the final debt service schedule and interest rate are available.
 - c. ASU must report, by October 15 of each year until completion of the project, to the staff of JLBC on the status and expenditures of the projects. The report must include the project expenditures to date, any changes to the planned construction timeline, the expected completion date and any change to the scope of the project. (Sec. 30)
- 48. Applies the following financing provisions to the Yavapai College project deemed to have been favorably reviewed by JCCR:
 - a. the college must provide the final debt service schedule and interest rate for the projects to the JCCR as soon as the final debt service schedule and interest rate are available;
 - b. Yavapai College must report, by July 31 of each year until completion of the project, to the staff of the JLBC on the status and expenditures of the projects. The report must include the project expenditures to date, any changes to the planned construction timeline, the expected completion date and any change to the scope of the project. (Sec. 30)

Miscellaneous

- 49. Exempts from lapsing, until June 30, 2025, the \$1,800,000 appropriated to ADOT by Laws 2021, Chapter 406, in FY 2022 to replace vehicle fueling facilities in Flagstaff, Holbrook and Kingman. (Sec. 31)
- 50. Mandates that the \$87,500,000 appropriated from the GF to ADOT by Laws 2023, Chapter 135, to distribute to the town of Queen Creek to extend State Route 24, including a traffic interchange at State

Route 24 and Ironwood Road, must be distributed to the town of Queen Creek by June 30, 2024. (Sec. 32)

- 51. Allows ADOA to spend up to 5% of the amounts appropriated to ADOT in the Capital Outlay Act for FY 2025, excluding amounts to be distributed to nonstate agencies, for expenditures for project management of building renewal and capital projects. All other monies appropriated to ADOA in the Capital Outlay Act for FY 2025 may not be spent for personal services or employee-related expenditures or for maintenance contracts on building components and equipment without review by the JCCR. (Sec. 33)
- 52. Restricts the monies appropriated in the Capital Outlay Act for FY 2025 from being spent for personal services or employee-related expenditures of state employees, excluding any services provided as part of the inmate construction program for correctional facilities. (Sec. 33)



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
Second Regular Session

HB 2900: commerce; 2024-2025

**Sponsor: Representative Livingston (with permission of committee on Rules), LD 28
Committee on Appropriations**

Overview

Contains provisions relating to commerce needed to implement the FY 2025 budget.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#) of the Constitution of Arizona requires the General Appropriations Act (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills. These bills are prepared according to subject area.

Provisions

1. Extends, as session law, the Microbusiness Loan Program until June 30, 2025. (Sec. 5)
2. Repeals the Microbusiness Loan Program on June 30, 2025 and transfers all unexpended and unencumbered monies in the Microbusiness Loan Fund to the state General Fund (GF). (Sec. 5)
3. Increases the amount of unencumbered monies retained by the Department of Insurance and Financial Institutions (DIFI) Revolving Fund before being deposited in the DIFI Receivership Revolving Fund from \$200,000 to \$700,000. (Sec. 1)
4. Beginning FY 2026, establishes the Fraud Unit Assessment Fund and directs monies collected from the annual assessment levied on licensed insurers be deposited into the Fraud Unit Assessment Fund, rather than the state GF. (Sec. 2, 3, 6)
5. Specifies DIFI administers the Fraud Unit Assessment Fund for administering and operating DIFI's Fund Unit. (Sec. 3)
6. Requires monies appropriated to DIFI from the Fraud Unit Assessment Fund be included as a separate line item in the General Appropriations Act. (Sec. 3)
7. Repeals the Rural Broadband Accelerated Match Fund as enacted by Laws 2023, Chapter 136. (Sec. 4)

Prop 105 (45 votes) Prop 108 (40 votes) Emergency (40 votes) Fiscal Note



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
Second Regular Session

HB 2901: criminal justice; 2024-2025

**Sponsor: Representative Livingston (with permission of committee on Rules), LD 28
Committee on Appropriations**

Overview

Contains provisions relating to criminal justice needed to implement the FY 2025 budget.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#) of the Constitution of Arizona requires the General Appropriations Act (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills. These bills are prepared according to subject area.

Provisions

Attorney General

1. Delays the prohibition, on the use of Anti-Racketeering Revolving Fund monies to pay for salaries for FTE positions, for one year — from after August 27, 2024 to after August 27, 2025. (Sec. 4)

Department of Corrections (DOC)

2. Permits DOC, at the Director's discretion, to use monies appropriated to DOC from the Transition Program Fund in FY 2025 for any DOC expenses. (Sec. 11)
3. Permits DOC, at the Director's discretion, to use monies appropriated to DOC from the Alcohol Abuse Treatment Fund in FY 2025 for any DOC expenses. (Sec. 12)

Department of Homeland Security (AZDOHS)

4. Amends existing session law to extend the existence of the Antihuman Trafficking Grant Fund through the end of FY 2025, instead of FY 2024. (Sec. 9)
5. Repeals the Antihuman Trafficking Grant Fund on July 1, 2025 and directs unexpended or unencumbered monies to be deposited into the state General Fund (GF). (Sec. 9)
6. Amends existing session law relating to the Arizona State Nonprofit Security Grant Program (Program) as follows:
 - a. Limits eligibility for funding from the Program to entities that are able to demonstrate both:
 - i) a risk or threat that is occurring at the time of the application, or that has occurred in the previous two years; and
 - ii) that they have not received federal funding in the last three federal grant cycles;
 - b. Requires AZDOHS to create an informal review panel, consisting of members with specified qualifications, to review Program grant applications for eligibility with the above requirements;
 - c. Exempts monies in the Program from lapsing;
 - d. Directs unexpended or unencumbered monies to be deposited into the state GF on October 1, 2028;
 - e. Makes these changes retroactive to July 1, 2024. (Sec. 10, 13)

Judiciary

7. Changes the name of the Court Appointed Special Advocate Fund to the Court Appointed Special Advocate *and Vulnerable Persons* Fund, and allows said Fund's monies to also be used for court functions benefitting vulnerable persons. (Sec. 2)

Department of Public Safety (DPS)

8. Mandates that DPS prioritize the concealed weapons permit (CCW) applications of in-state residents when issuing CCWs. (Sec. 5)

9. Directs DPS to submit an annual report with specified information on CCWs to the Joint Legislative Budget Committee. (Sec. 5)
10. Permits DPS to use monies in the Fingerprint Clearance Card Fund to pay for DPS expenses related to real property use. (Sec. 6)
11. Delays full implementation of DPS's Major Incidents Division to FY 2028. (Sec. 7)
12. Amends existing session law to extend the existence of the Fentanyl Prosecution, Diversion and Testing Fund through the end of FY 2025, instead of FY 2024. (Sec. 8)
13. Repeals the Fentanyl Prosecution, Diversion and Testing Fund on July 1, 2025 and directs unexpended or unencumbered monies to be deposited into the state GF. (Sec. 8)
14. Makes technical and conforming changes. (Sec. 1, 3, 7, 10)

Prop 105 (45 votes) Prop 108 (40 votes) Emergency (40 votes) Fiscal Note



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
Second Regular Session

HB 2902: environment; 2024-2025

**Sponsor: Representative Livingston (with permission of committee on Rules), LD 28
Committee on Appropriations**

Overview

Contains provisions relating to the environment needed to implement the FY 2025 budget.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#) of the Constitution of Arizona, requires the General Appropriations Act (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills. These bills are prepared according to subject area.

Provisions

Emergency Management Training Revolving Fund (Revolving Fund)

1. Renames the Emergency Management Training Fund to the Emergency Management Training Revolving Fund. (Sec. 1)
2. States that monies in the Revolving Fund are continuously appropriated. (Sec. 1)
3. Requires the Arizona Department of Emergency Management and Military Affairs to deposit all fees collected for coordinating symposiums, training conferences and seminars in the Revolving Fund. (Sec. 1)
4. Removes the requirement that all excess monies collected from each event revert to the state General Fund (GF) by the end of the FY. (Sec. 1)

Arizona State Parks Store Fund

5. Increases the excess amount of monies, from \$1,250,000 to \$1,750,000, in the Arizona State Parks Store Fund that revert at the end of a FY to the State Parks Revenue Fund. (Sec. 2)

Water Conservation Grant Fund

6. Allows an eligible entity to apply to the Water Infrastructure Finance Authority for and accept grants from the Water Conservation Grant Fund to distribute rebates for the installation of gray water systems. (Sec. 3)

Fire Incident Management Fund (Incident Fund) (Session Law)

7. Exempts Incident Fund monies from lapsing. (Sec. 4)
8. Requires ADOA to distribute monies from the Incident Fund to provide grants to municipal fire departments and fire districts for hardware and software that meet specified criteria. (Sec. 4)
9. Repeals the Incident Fund on July 1, 2025 and states all unexpended and unencumbered monies in the Incident Fund revert to the state GF. (Sec. 4)

Arizona Water Protection Fund (AWPF) (Session Law)

10. Authorizes the AWPF Commission to grant to the Arizona Department of Water Resources (ADWR) up to \$336,000 of the unobligated balance in AWPF for ADWR administrative costs in FY 2025. (Sec. 5)

Underground Storage Tank Revolving Fund (USTR Fund) (Session Law)

11. Authorizes the Arizona Department of Environmental Quality (ADEQ) to use up to \$6,531,000 from the USTR Fund in FY 2025 for ADEQ administrative costs and to remediate sewage discharge issues in Naco and other border areas of Arizona. (Sec. 6)

Arizona Navigable Stream Adjudication Commission (Commission) (Session Law)

12. Allows monies appropriated to the Commission from the Arizona Water Banking Fund to be used to pay legal fees in FY 2025. (Sec. 7)

Water Quality Assurance Revolving Fund (WQARF) (Session Law)

13. Limits to \$15,000,000 the amount of corporate income tax monies transferred to the WQARF in FY 2025. (Sec. 8)

Vehicle Emission Testing Fees (Session Law)

14. Directs the ADEQ Director to reduce vehicle emissions testing fees in area A in FY 2025 so that vehicle emissions testing fee revenues collected in area A are reduced by 5% from FY 2024. (Sec. 9)
15. Exempts ADEQ from rulemaking requirements until July 1, 2025 for setting vehicle emissions testing fees. (Sec. 9)

Arizona Department of Agriculture (ADA) Fees (Session Law)

16. Authorizes ADA, subject to the review of the ADA Advisory Council, to lower existing fees for any funds held in trust by ADA. (Sec. 10)
17. Requires the ADA, through July 1, 2025, to adopt emergency rules, in conjunction with the industry, to modify fees deposited in the Dangerous Plants, Pests and Diseases Trust Fund. (Sec. 10)
18. States that the rules must be reviewed by the ADA Advisory Council. (Sec. 10)

Authorization for Liabilities and Expenses

19. Allows the Governor, in FY 2025, to allocate:
- a. \$500,000 to the Emergency Management Assistance Compact and Arizona Mutual Aid Compact Revolving Fund; and
 - b. \$300,000 to the Emergency Management Training Revolving Fund. (Sec. 11)
20. States that each allocation the Governor makes counts towards the \$4,000,000 aggregate amount allowed in FY 2025. (Sec. 11)

Prop 105 (45 votes) Prop 108 (40 votes) Emergency (40 votes) Fiscal Note



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
Second Regular Session

HB2903: health care; 2024-2025

Sponsor: Representative Livingston, LD 28
Committee on Appropriations

Overview

Contains provisions relating to health care needed to implement the FY 2025 budget.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#), Constitution of Arizona, requires the *General Appropriations Act* (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills. These bills are prepared according to subject area.

Provisions

Arizona Health Care Cost Containment System (AHCCCS)

1. Requires AHCCCS Director to report to the Joint Legislative Budget Committee (JLBC) and the Governor's Office of strategic Planning and Budgeting (OSPB) on the amount to be withdrawn from the Arizona Long Term Care System (ALTCS) Fund annually on December 1. (Sec. 1)
2. Requires the ALTCS Fund report to include the calculations AHCCCS used to compute the total amount of the surplus and the apportionment of the surplus between each county and the state. (Sec. 1)
3. Requires by December 31, 2025, for FY 2025, AHCCCS to transfer to the counties any portion necessary to comply with the Patient Protection and Affordable Care Act regarding the counties' proportional share of this state's contribution. (Sec. 5)
4. Allows AHCCCS, for FY 2025 and 2026, to use the hospital assessment to fund a portion of the nonfederal share of the cost of behavioral health services for certain AHCCCS member populations. (Sec. 6)
5. Exempts AHCCCS from rulemaking requirements for one year for the purpose of implementing the hospital assessment, except that AHCCCS must provide notice and an opportunity for public comment at least 30 days before establishing or implementing the hospital assessment. (Sec. 7)
6. Allows, for the contract year beginning October 1, 2024, and ending September 30, 2025, AHCCCS to continue the risk contingency rate settings for all managed care organizations (MCO) and funding for all MCO administrative funding levels that were imposed for the contract year beginning October 1, 2010, and ending September 30, 2011. (Sec. 11)
7. Requires AHCCCS, by January 31, 2025, to prepare and issue a report to the Governor, Legislature, JLBC and OSPB that includes information about the costs and utilization of mental health medications during contract years 2020-2023 and provide a copy to the Secretary of State. (Sec. 12)
8. Requires the Mental Health Medication Utilization report to include:
 - a. the annual gross amount spent for each mental health medication class,
 - b. the annual net amount spent after rebates and the state and federal share of the costs;
 - c. the average annual cost by class for generic and nongeneric mental health medication. (Sec. 12)
9. Continues to state that it is the intent of the Legislature for FY 2025 that AHCCCS implement a program within its available appropriation. (Sec. 13)
10. Requires the Mental Health Medication Utilization report regarding antipsychotic and antidepressants medications to include:

- a. the total number of prior authorizations submitted for nonpreferred antipsychotic and nonpreferred antidepressant medications;
- b. the percentage of prior authorization approvals and denials;
- c. the generic antipsychotic and generic antidepressant medication utilization percentages; and
- d. the total amount of antipsychotic and antidepressant medication claims. (Sec. 12)

County Session Law Provisions

- 11. Sets the annual county Arizona Long Term Care System (ALTCs) contributions for FY 2025 at \$399,872,100 and:
 - a. outlines each county's contribution;
 - b. requires the State Treasurer to recover the cost of any funding that was not provided; and
 - c. requires the State Treasurer to deposit monies received into the ALTCs fund. (Sec. 3)
- 12. Requires the counties' share of the state's contribution to comply with federal maintenance of effort requirements. (Sec. 3)
- 13. Sets the FY2025 county acute care contributions at \$43,176,200 and:
 - a. outlines each county's contribution;
 - b. outlines payment processes and requirements;
 - c. requires the State Treasurer to recover the cost of any funding that was not provided by a county from other funds owed to that county, excluding the Highway User Revenue Fund; and
 - d) states that the Legislature intends that the Maricopa County contribution be reduced in each subsequent year according to changes in the GDP price deflator. (Sec. 8)
- 14. Continues to exclude the Proposition 204 administration costs from the county expenditure limitations. (Sec. 9)

Disproportionate Share Hospital (DSH) Payment Session Law Provisions

- 15. Sets the annual DSH payment allotment for the Maricopa County Special Health Care District (District) at \$113,818,500 for FY 2025 and:
 - a. requires the District to provide a certified public expense form for the amount of qualifying DSH expenditures made to AHCCCS by May 1, 2025, for all state plan years as required by the AHCCCS state plan;
 - b. states that if the certification is equal to or less than \$113,818,500 and AHCCCS determines the revised amount is correct, AHCCCS must:
 - i. notify the Governor and the Legislature; and
 - ii. distribute \$4,202,300 to the District and deposit the balance in the state GF.
 - c. states that if the certification is less than \$113,818,500 and AHCCCS determines the revised amount is not correct, AHCCCS must:
 - i. notify the Governor and the Legislature; and
 - ii. deposit the total amount of the federal financial participation in the state GF.
 - d. provides that if the certification is greater than \$113,818,500, AHCCCS must:
 - i. distribute \$4,202,300 to the District; and
 - ii. \$69,654,500 of the federal financial participation in the state GF; and
 - e) allows AHCCCS to make additional DSH payments to the District pursuant to statute. (Sec. 4)
- 16. Sets the annual DSH payment allotment to the Arizona State Hospital (ASH) at \$28,474,900 for FY 2025 and:
 - a. requires ASH to provide a certified public expense form for the amount of qualifying DSH expenditures made to AHCCCS by March 31, 2025;
 - b. directs AHCCCS to:
 - i. assist ASH in determining the amount of qualifying DSH expenditures; and
 - ii. deposit the entire amount of federal financial participation in the state GF;
 - c. states that if the certification is less than \$28,474,900, AHCCCS must:
 - i. notify the Governor and the Legislature; and
 - ii. deposit the entire amount of federal financial participation in the state GF; and
 - d) requires the certified public expense form to contain the total amount of qualifying DSH expenditures and the amount limited by federal law. (Sec. 4)
- 17. Establishes the annual DSH payment allotment for private qualifying DSH hospitals at \$884,800 for FY 2025, consistent with the appropriation and the terms of the State plan and:
 - a. limits payments to hospitals that either:

- i. meet the mandatory definition of DSH qualifying hospital under Section 1923 of the Social Security Act;
or
- ii. are located in Yuma County and contain at least 300 beds. (Sec. 4)

18. Outlines the order of priority for DSH payment allotments for private qualifying hospitals once the preceding DSH distributions are made. (Sec. 4)

Miscellaneous Session Law Provisions

19. Exempts monies in the Collaborative Care Uptake Fund from lapsing and repeals the fund on July 1, 2025. (Sec. 2)

20. Directs any unexpended and unencumbered monies remaining in the Collaborative Care Uptake Fund to be transferred to the state General Fund by July 1, 2025. (Sec. 2)

21. Exempts county expenditures for restoration to competency treatment from county expenditure limitation. (Sec. 10)

22. Defines *mental health medication*. (Sec. 12)

23. Makes technical and conforming changes. (Sec. 1, 2)

<input type="checkbox"/> Prop 105 (45 votes) <input type="checkbox"/> Prop 108 (40 votes) <input type="checkbox"/> Emergency (40 votes) <input type="checkbox"/> Fiscal Note
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ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
Second Regular Session

HB 2904: higher education; 2024-2025

**Sponsor: Representative Livingston (with permission of Committee on Rules), LD 28
Committee on Appropriations**

Overview

Contains provisions relating to higher education needed to implement the FY 2025 budget.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#) of the Constitution of Arizona requires the General Appropriations Act (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills. These bills are prepared according to subject area.

Provisions

1. As session law, repeals the Spouses and Dependents of Law Enforcement Officers Tuition Scholarship Fund on July 1, 2025, and transfers all unexpended and unencumbered monies to the state General Fund. (Sec. 1)
2. As session law for FY 2025, allows each dollar raised by the surcharge on student registration fees assessed pursuant to the Arizona Financial Aid Trust Fund to be matched by less than \$2 appropriated by the Legislature. (Sec. 2)
3. As session law for FY 2025, declares science, technology, engineering and mathematics and workforce programs state aid and operating state aid for community college districts are as specified in the General Appropriations Act. (Sec. 3, 4)
4. Makes conforming changes. (Sec. 1)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
Second Regular Session

HB2905: human services; 2024-2025

Sponsor: Representative Livingston, LD 28
Committee on Appropriations

Overview

Contains session law provisions relating to human services needed to implement the FY 2025 budget.

History

Extended Foster Care Comprehensive Service Model

[Laws 2023, Chapter 141](#) required the Arizona Department of Child Safety (DCS) to prepare a scope of work for an Extended Foster Care Comprehensive Service Model that includes supportive services and required case management provided by contracted community providers for young adults participating in the extended foster care program. The legislation also created the Extended Foster Care Comprehensive Model Fund to be administered by DCS and consisting of legislative appropriations.

Homeless Shelter and Services Fund

The Arizona Department of Housing (ADOH) was created in 2002 to establish policies, procedures and programs authorized to address the affordable housing issues confronting Arizona, including housing issues of low-income and moderate-income families, housing affordability, special needs populations and decaying housing stock. ADOH provides qualified housing participants and political subdivisions state financial, advisory, consultative, planning, training and educational assistance for the development of safe, decent and affordable housing. The agency is also responsible for maintaining and enforcing standards of quality and safety for manufactured homes, mobile homes and factory-built building ([A.R.S. § 41-3953](#)).

[Laws 2023, Chapter 141](#) established the Homeless Shelter and Services Fund to be administered by ADOH, consisting of legislative appropriations, monies directed to be deposited in the fund and investment earnings on monies in the fund. The purpose of the fund is to award grants to counties, cities, towns, Indian tribes and nonprofit organizations for programs for programs that provide shelter and services to unsheltered persons who are experiencing homelessness. The fund repeals on October 1, 2027.

Temporary Assistance for Needy Families (TANF)

The TANF Block Grant is used to: 1) provide assistance to needy families so that children may be cared for in their own homes or in homes of relatives; 2) end the dependence of needy parents on government benefits by promoting job preparation, work and marriage; 3) prevent and reduce the incidence of out-of-wedlock pregnancies and establish annual numerical goals for preventing and reducing the incidence of these pregnancies; and 4) encourage the formation and maintenance of two-parent families ([42 U.S.C. § 601](#)). The Arizona Department of Economic Security (DES) utilizes TANF funding to provide temporary financial assistance to dependent children in their own homes or in the homes of responsible caretaker individuals.

According to the [FY 2024 Appropriations Report](#), produced by the Arizona Joint Legislative Budget Committee (JLBC), the FY 2024 budget continued the provision that allows DES to drug test TANF recipients if there is a reasonable suspicion that they are using illegal drugs ([Laws 2023, Chapter 141](#)).

Provisions

Extended Foster Care Comprehensive Service Model Fund

1. Repeals the Extended Foster Care Comprehensive Service Model Fund on July 1, 2025, and directs any unexpended and unencumbered monies remaining in the fund to be deposited into the state General Fund (state GF). (Sec. 1)

Homeless Shelter and Services Fund

2. Changes the repeal date for the Homeless Shelter and Services Fund from October 1, 2027, to July 1, 2025, and requires any remaining unexpended and unencumbered monies to be deposited into the state GF. (Sec. 2)

3. Removes the requirement that ADOH submit a report to the Governor and Legislature that describes all grants awarded in each fiscal year and instead requires ADOH to submit the report by December 1, 2024. (Sec. 2)

TANF

4. Requires DES to screen and test each adult recipient who is eligible for TANF cash benefits and who DES has reasonable cause to believe engages in the illegal use of controlled substances. (Sec. 3)
5. Deems a TANF recipient who tests positive for the use of a controlled substance that was not prescribed for the recipient by a licensed health care provider ineligible for TANF benefits for one year. (Sec. 3)

Miscellaneous

6. Makes technical changes. (Sec. 1)

Prop 105 (45 votes) Prop 108 (40 votes) Emergency (40 votes) Fiscal Note



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
Second Regular Session

HB 2906: K-12 education; 2024-2025

**Sponsor: Representative Livingston (with permission of Committee on Rules), LD 28
Committee on Appropriations**

Overview

Contains provisions relating to K-12 education needed to implement the FY 2025 budget.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#) of the Constitution of Arizona requires the General Appropriations Act (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills. These bills are prepared according to subject area.

Provisions

School Finance Formula (Permanent Law)

1. Increases the base level for FY 2025 from \$4,914.71 to \$5,013.00. (Sec. 5)
2. Adjusts the FY 2025 state support level per route mile from:
 - a. \$2.89 to \$2.95 for 0.5 or less approved daily route mileage;
 - b. \$2.37 to \$2.42 for more than 0.5 through 1.0 approved daily route mileage; and
 - c. \$2.89 to \$2.95 for more than 1.0 daily approved route mileage. (Sec. 6)
3. Increases charter additional assistance from:
 - a. \$2,049.12 to \$2,090.10 per student count in preschool programs for children with disabilities, kindergarten and the 1st-8th grades; and
 - b. \$2,388.21 to \$2,435.97 per student count in the 9th-12th grades. (Sec. 1)
4. Adjusts TY 2024 qualifying tax rates in accordance with statutory truth-in-taxation requirements. (Sec. 10)

Arizona Empowerment Scholarship Account (ESA) Program

5. Modifies permissible ESA expenses by stipulating ESA monies may be used for:
 - a. tuition or fees at a qualified school that requires all teaching staff and personnel who have unsupervised contact with students to be fingerprinted; or
 - b. tutoring or teaching services provided by an individual who is not subject to disciplinary action by the State Board of Education (SBE) for immoral or unprofessional conduct. (Sec. 7)
6. Requires the Arizona Department of Education (ADE) to:
 - a. ensure any individual who provides tutoring or teaching services to qualified students is not subject to disciplinary action by SBE; and
 - b. remove any individual who is subject to disciplinary action by SBE from all platforms ADE provides to parents and qualified students for the purchase of goods or educational services using ESA monies. (Sec. 7)
7. Instructs ADE to verify that a parent's child is a qualified student in the year the parent seeks to renew the ESA. (Sec. 7)
8. Directs ADE, in consultation with the Auditor General, to develop risk-based auditing procedures for the statutorily required annual audits of ESAs. (Sec. 8)
9. Mandates ADE annually review a random sample of ESAs to determine whether the parent or qualified student is in compliance with the ESA contract, applicable laws, rules and orders relating to the ESA Program. (Sec. 8)

10. States the ESA of a parent or qualified student who is in good standing may be randomly selected for review only once during any five-year period. (Sec. 8)
11. Prohibits a qualified student from receiving ESA monies while enrolled in a school district or charter school. (Sec. 8)
12. Allows ADE, if an eligible applicant completes an application in advance for an ESA to be funded beginning on a later date, to enroll the applicant on the later date, except the applicant cannot be enrolled:
 - a. more than two fiscal quarters after the fiscal quarter in which the application is completed; or
 - b. on a date that is after March 31 and before July 1. (Sec. 8)
13. Stipulates ADE must enroll an applicant on or after July 1 if the applicant completes an application after March 31 and before July 1. (Sec. 8)
14. Directs ADE to enroll all other applicants when ADE issues an award letter. (Sec. 8)
15. Modifies the requirement for ADE to provide the estimated amount required to fund ESAs for the following fiscal year by directing ADE to provide the amount:
 - a. by September 1 and November 1, rather than only May 30; and
 - b. to the Governor's Office of Strategic Planning and Budgeting. (Sec. 8)
16. Requires ADE to maintain an online database of allowable and disallowed expense categories and provide a link to the database on its website. (Sec. 8)
17. Mandates ADE allow ESA monies to be used to reimburse the parent of a qualified student or qualified student for the purchase of a good or educational service that is an allowable expense. (Sec. 8)

Arizona State Schools for the Deaf and the Blind (ASDB)

18. As permanent law, removes ASDB from the state agencies that are excluded from participation in the state motor vehicle fleet. (Sec. 9)
19. As session law for FY 2025, allows ASDB to use monies appropriated from the Telecommunication Fund for the Deaf for educational and operational costs. (Sec. 15)

Program and Fund Repeals

20. As permanent law, repeals, on July 1, 2025, the
 - a. Continuing High School and Workforce Training Program;
 - b. Adult Workforce Diploma Program and Fund;
 - c. Community College Adult Education Workforce Diploma Program and Fund; and
 - d. directive for SBE and ADE to adopt performance measures to evaluate these adult education and workforce programs. (Sec. 2)
21. As session law, amends the Arizona Civics Education and Leadership Development Program (Civics Program) by:
 - a. removing the limitation that ADE administer the Civics Program in only FY 2024;
 - b. repealing the Civics Program and Civics Program Fund on July 1, 2025; and
 - c. transferring any unexpended and unencumbered monies from the Civics Program Fund to the state General Fund (GF). (Sec. 11)
22. As session law, amends the requirements for early education and career action plans (career plans) and the Early Education and Career Exploration Program (Career Program) by:
 - a. removing the limitation that:
 - i. SBE require public schools to complete career plans for each high school student only in FY 2024;
 - ii. ADE administer the Career Program only in FY 2024; and
 - iii. ADE contract with a nonprofit entity to provide a career mapping tool and specified training and resources only in FY 2024;
 - b. repealing the outlined career plans requirements, Career Program and Career Program Fund on July 1, 2025; and
 - c. transferring any unexpended and unencumbered monies from the Career Program Fund to the state GF. (Sec. 12)
23. As session law, repeals the Dual Enrollment Teacher Development Fund and the Dual Enrollment Student Development Fund. (Sec. 13)

Miscellaneous

24. As permanent law, sets March 15 as the earliest date a school district governing board may offer a teaching contract for the next school year to a probationary or continuing teacher. (Sec. 3, 4)
25. As session law in FY 2025, continues to authorize ADE to use Failing Schools Tutoring Fund monies for:
 - a. providing assistance to school districts and charter schools for professional development and coaching for teachers and principals;
 - b. monitoring the progress of school districts and charter schools towards improved academic outcomes; and
 - c. outreach to ensure that schools and parents have access to tutoring opportunities. (Sec. 14)
26. As session law, continues to contain a legislative intent clause relating to classroom spending. (Sec. 16)
27. Makes technical changes. (Sec. 3, 4, 7, 8, 9)
28. Makes conforming changes. (Sec. 5, 8, 9, 11, 12)

Prop 105 (45 votes) Prop 108 (40 votes) Emergency (40 votes) Fiscal Note



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
Second Regular Session

HB 2907: local government; 2024-2025
Sponsor: Representative Livingston, LD 28
Committee on Appropriations

Overview

Contains provisions relating to local government needed to implement the FY 2025 budget.

History

The county Board of Supervisors (BOS) is tasked with various duties that are outlined in statute. The BOS is required to supervise the official conduct of all county officers charged with collecting, assessing, managing, safekeeping or disbursing public revenues and to see that the officers faithfully perform their duties ([A.R.S. § 11-251](#)).

The Joint Legislative Budget Committee (JLBC) is comprised of 16 members of the House of Representatives and the Senate that meet as often as they deem necessary. JLBC must ascertain facts and make recommendations to the Legislature regarding the state budget, revenues and expenditures of the state (A.R.S. §§ [41-1271](#), [41-1272](#)).

Provisions

1. Specifies, as session law, that for FY 2025, a county with a population of less than 250,000 people:
 - a. may meet any county fiscal obligation, up to \$1,250,000, from any source of county revenue designated by the county; and
 - b. by October 1, 2024, each specified county must report to the director of JLBC whether the county used a revenue source for purposes other than the purposes of the revenue source to meet a county fiscal obligation and the specific source and amount of revenues intended for use in FY 2025. (Sec. 1)



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
Second Regular Session

HB 2908: management of state buildings; 2024-2025

Sponsor: Representative Livingston, LD 28

Committee on Appropriations

Overview

Contains provisions relating to management of state buildings needed to implement the FY 2025 budget.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#) of the Constitution of Arizona requires the General Appropriations Act (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills. These bills are prepared according to subject area.

Provisions

1. States, as session law, that the Capital Outlay Stabilization Fund rental rates for state-owned buildings in FY 2025 are \$17.87 per square foot for office space and \$6.43 per square foot for storage space. (Sec. 1)



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
Second Regular Session

House: APPROP

HB 2909: taxation; 2024 - 2025

Sponsor: Representative Livingston, LD 28
Committee on Appropriations

Overview

Contains provisions relating to taxation needed to implement the FY 2025 budget.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#) of the Constitution of Arizona requires the General Appropriations Act (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills. These bills are prepared according to subject area.

Provisions

Department of Revenue

1. Changes the implementation date of Laws 2024, Chapter 142 (HB2382), from January 1, 2026 to January 1, 2028, which required the Department of Revenue to establish a process by which a third-party provider that offers sourcing services to taxpayers for transactions involving tangible personal property to become certified. (Sec. 1)
2. Extends the transaction privilege and use tax exemption for qualifying equipment purchased by businesses certified as healthy forest enterprises from June 30, 2024 to December 31, 2026. (Sec. 2, 3)
3. Caps the aggregate dollar level of the Corporate Low Income Student Tuition Tax Credit at \$135 million annually, beginning in FY25. (Sec. 4)
4. Expands the eligibility for scholarships from the "Switcher" Individual Income Tax Credit and Corporate Low-Income Student Tuition Tax Credit programs to include foster care children that meet certain requirements and that if a court rules these provisions unenforceable these provisions would not become effective. (Sec. 5, 6)
5. Requires, as session law, county supervisors to reduce property tax levies in FY25 in elementary districts without a high school that are non-state districts and that were required to levy the minimum qualifying tax rate (MQTR) in FY24 and beginning in FY25, Type 03 county levies will be deducted from the MQTR on an ongoing basis pursuant to Laws 2024, Chapter 134 (HB2173). (Sec. 7)
6. Stipulates, as session law, legislative intent that the amount to be charged to all counties, cities, towns, Council of Governments and regional transportation authorities with a population greater than 800,000 for the Integrated Tax System Project shall not exceed \$6,626,900 for FY25 and provides the mechanism to apportion the amount. (Sec 10)
7. Stipulates, as session law, legislative intent that the amounts charged to 16% recreational marijuana excise tax and the 0.6% education sales tax for the Integrated Tax System Project shall not exceed \$179,000 and \$803,600, respectively in FY25. (Sec. 10)

Qasimyar v. Maricopa County Tax Litigation

8. Stipulates, as session law, that taxing jurisdictions, including school districts, that are liable for tax refunds in the *Qasimyar v. Maricopa County* litigation and that estimate the judgement would result in a property tax increase of 4% or more may issue tax anticipation notes that mature four years following the issuance of the notes or request that the state loan commissioners issue bonds to redeem or refund the tax anticipation notes and repeals this provision December 31, 2030. (Sec. 8)
9. Authorizes, as session law, the AZ Department of Education (ADE) to re-calculate basic state aid for districts liable for *Qasimyar v. Maricopa County* tax refunds without the adoption of a resolution by a school district governing board and requires ADE to submit proposed re-calculations to JLBC for review. (Sec. 9)

10. Requires, as session law, school districts to reduce their levies to cover property tax refunds ordered in the *Qasimyar v. Maricopa County* litigation to account for estimated revenues from basic state aid re-calculations authorized by A.R.S. 15-915.B. Requires ADE to estimate the A.R.S. 15-915.B recalculations by district by August 1, 2024 and provide its estimate to the Property Tax Oversight Commission, JLBC and OSPB. (Sec. 9)
11. Authorizes, as session law, school districts liable for *Qasimyar v. Maricopa County* tax refunds to use any unbudgeted cash balances from FY23 from their Maintenance and Operations Fund or Unrestricted Capital Fund that were not included in the school district's adopted FY24 budget to cover the cost of the refunds. (Sec. 9)
12. Clarifies, as session law, that any limitations on school district tax levies for *Qasimyar v. Maricopa County* tax refunds shall not be construed to prevent school districts from levying sufficient property taxes to pay required debt service on general obligation bonds. (Sec. 9)
13. Requires, as session law, the Maricopa County Treasurer to include a statement on the TY24 property tax bills stating, "Your tax rate includes an increase to cover the cost of tax refunds ordered in class action litigation." (Sec. 9)
14. Contains an emergency clause. (Sec. 11)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
Second Regular Session

HB 2910: self-supporting regulatory agencies; funds
Sponsor: Representative Livingston, LD 28
Committee on Appropriations

Overview

Contains provisions relating to self-supporting regulatory agencies needed to implement the FY 2025 Budget.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#) of the Constitution of Arizona requires the General Appropriations Act (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills. These bills are prepared according to subject area.

Provisions

1. Requires 15% of all fees and other revenues received by the following regulatory agencies to be deposited in the state General Fund and the remaining 85% to be deposited in the specified fund of each regulatory agency:
 - a. the state board of technical registration;
 - b. the barbering and cosmetology board;
 - c. the Arizona state board of accountancy;
 - d. the state board of podiatry examiners;
 - e. the state board of chiropractic examiners;
 - f. the registrar of contractors;
 - g. the state board of dental examiners;
 - h. the Arizona medical board;
 - i. the naturopathic physicians medical board;
 - j. the Arizona state board of nursing;
 - k. the state board of dispensing opticians;
 - l. the state board of optometry;
 - m. the Arizona board of osteopathic examiners in medicine and surgery;
 - n. the Arizona state board of pharmacy;
 - o. the board of physical therapy;
 - p. the state board of psychologist examiners;
 - q. the Arizona state veterinary medical examining board;
 - r. the Arizona regulatory board of physician assistants;
 - s. the board of homeopathic and integrated medicine examiners;
 - t. the state board for private postsecondary education;
 - u. the board of behavioral health examiners;
 - v. the board of occupational therapy examiners;
 - w. the board of respiratory care examiners;
 - x. the acupuncture board of examiners;
 - y. the board of athletic training;
 - z. the board of massage therapy; and
 - aa. the board of examiners of nursing care institution administrators and assisted living facility managers. (Sec. 1 – 27)
2. Prohibits the previously listed regulatory agencies from any license fee increases through FY 2026. (Sec. 28)
3. Allows a previously listed regulatory agency to submit a written request to the Governor's Regulatory Review Council (GRRC) to adopt a license fee increase on an emergency basis in FY 2025 and FY 2026. (Sec. 28)

4. Enables GRRC to approve emergency license fee increase requests upon their determination that the regulatory agency will not have sufficient monies to continue daily operations if the proposed emergency license fee increase is not approved. (Sec. 28)
5. Clarifies that this measure does not grant an express exemption from the provisions of statute relating to the establishment or increase of a fee. (Sec. 28)
6. Clarifies that a regulatory agency that adopts a license fee increase as a result of GRRC's determination and approval must comply with all applicable rulemaking provisions to increase the license fee. (Sec. 28)
7. Makes technical changes.

Prop 105 (45 votes) Prop 108 (40 votes) Emergency (40 votes) Fiscal Note



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
Second Regular Session

HB 2911: state budget implementation; 2024-2025

Sponsor: Representative Livingston, LD 28

Committee on Appropriations

Overview

Contains provisions relating to budgetary fund revisions needed to implement the FY 2025 budget.

History

The Arizona Legislature adopts a budget for each fiscal year (FY) that contains general appropriations. [Article IV, Section 20, Part 2](#) of the Constitution of Arizona requires the General Appropriations Act (feed bill) to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt. Statutory changes necessary to reconcile the appropriations made in the feed bill and other changes are drafted into separate budget bills. These bills are prepared according to subject area.

Provisions

1. Requires, as session law, any unrestricted federal monies received by the state beginning July 1, 2024 through June 30, 2025 to be deposited in the state General Fund (GF).
 - a. Stipulates that these monies must be used to pay essential government services; and
 - b. Contains a retroactivity clause of July 1, 2024. (Sec. 1)
2. States, as session law, that the Legislature is not required to appropriate monies to or transfer monies from the Budget Stabilization Fund through FY 2027. (Sec. 2)
3. Asserts that for FY 2025, the Budget Stabilization Fund is not limited to 10% of the GF revenue and the State Treasurer may not transfer any surplus monies from the Budget Stabilization Fund to the GF. (Sec. 2)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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ARIZONA HOUSE OF REPRESENTATIVES

Fifty-sixth Legislature
Second Regular Session

HCR2065: expenditure limit; school districts; authorization

**Sponsor: Representative Livingston (with permission of Committee on Rules), LD 28
Committee on Appropriations**

Overview

Allows school districts to exceed the aggregate expenditure limitation (AEL) in FY 2025.

History

In 1980, Arizona voters approved [Proposition 109](#), which established the AEL for school districts in the Arizona Constitution. The AEL functions as an aggregate spending cap for all school districts. The state Constitution and statute detail the formula to calculate the AEL and procedures if the AEL is exceeded.

Prior to May 1, the Economic Estimates Commission (EEC) must publish the AEL for the following year. The AEL is calculated by adjusting FY 1980 local revenue expenditures for all school districts to reflect changes in student population and the cost of living. This amount is then multiplied by 10%. The state Constitution details the monies, revenues, funds, property and receipts that comprise *local revenues* ([Ariz. Const. art. 9 § 21](#)).

By November 1, the State Board of Education (SBE) must determine the current year aggregate expenditures of local revenues for all school districts. If this amount exceeds the AEL, two options may occur. The Legislature may authorize, by March 1, the expenditures of local revenues in excess of the AEL upon two-thirds approval in both the House of Representatives and Senate. If the Legislature does not authorize the expenditures of local revenues in excess of the AEL, SBE must inform each school district, by March 5, of the amount by which the school district must reduce its expenditures of local revenues. Then, by April 1, each school district governing board must adopt a revised current year budget that is reduced by the amount determined by SBE ([A.R.S. § 15-911](#)).

For FY 2025, the AEL is \$6,959,222,573 ([EEC](#)).

Provisions

1. Authorizes school districts to spend local revenues in excess of the AEL in FY 2025, subject to two-thirds approval in both the House of Representatives and Senate.

Prop 105 (45 votes) Prop 108 (40 votes) Emergency (40 votes) Fiscal Note