

REFERENCE TITLE: appropriation; fire suppression mitigation projects

State of Arizona  
House of Representatives  
Fifty-sixth Legislature  
Second Regular Session  
2024

# HB 2193

Introduced by  
Representative Cook

## AN ACT

AMENDING SECTION 35-144, ARIZONA REVISED STATUTES; AMENDING TITLE 37, CHAPTER 9, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 37-1305.01; RELATING TO FIRE AND FIRE SUPPRESSION MITIGATION PROJECTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 35-144, Arizona Revised Statutes, is amended to  
3 read:

4 35-144. Budget stabilization fund; definitions

5 A. The budget stabilization fund is established consisting of  
6 monies transferred from the state general fund pursuant to subsection B of  
7 this section. The state treasurer shall administer the budget  
8 stabilization fund and invest and divest monies in the budget  
9 stabilization fund as provided by sections 35-313 and 35-314.02, and  
10 monies earned from investment shall be credited to the budget  
11 stabilization fund. Except as provided by this section:

12 1. Monies in the budget stabilization fund are exempt from the  
13 provisions of section 35-190 relating to the reversion of monies to the  
14 state general fund.

15 2. The monies in the fund are separate monies to be used only for  
16 the purposes of the fund.

17 3. An amount sufficient to pay claims certified by the state  
18 forester pursuant to section 37-1305, subsection E, paragraph 4 is  
19 continuously appropriated from the fund to the state treasurer for payment  
20 of the certified claims. Not more than \$20,000,000 in unreimbursed claims  
21 may be outstanding from the fund at any time from the monies appropriated  
22 pursuant to this paragraph.

23 4. AN AMOUNT SUFFICIENT TO PAY CLAIMS CERTIFIED BY THE STATE  
24 FORESTER PURSUANT TO SECTION 37-1305.01 IS CONTINUOUSLY APPROPRIATED FROM  
25 THE FUND TO THE STATE TREASURER FOR PAYMENT OF THE CERTIFIED CLAIMS. NOT  
26 MORE THAN \$35,000,000 IN UNREIMBURSED CLAIMS MAY BE OUTSTANDING FROM THE  
27 FUND AT ANY TIME FROM THE MONIES APPROPRIATED PURSUANT TO THIS PARAGRAPH.

28 B. In a calendar year in which the annual growth rate exceeds the  
29 trend growth rate, the excess growth when multiplied by total general fund  
30 revenue of the fiscal year ending in the calendar year determines the  
31 amount to be appropriated by the legislature to the budget stabilization  
32 fund in the fiscal year in which the calendar year ends.

33 C. In a calendar year in which the annual growth rate is both less  
34 than two percent and less than the trend growth rate, the difference  
35 between the annual growth rate and the trend growth rate when multiplied  
36 by the total general fund revenue of the fiscal year ending in the  
37 calendar year determines the amount to be transferred by the legislature  
38 from the budget stabilization fund to the state general fund at the end of  
39 the fiscal year in which the calendar year ends. The transfer calculated  
40 pursuant to this subsection shall not exceed the available balance in the  
41 budget stabilization fund, nor shall the legislature transfer an amount  
42 that exceeds the amount sufficient to balance the state general fund  
43 budget.

1 D. The legislature shall pass a bill that contains the emergency  
2 clause if the legislature either:

3 1. Reduces the amount for appropriation to the budget stabilization  
4 fund under subsection B of this section.

5 2. Increases the amount for transfer to the state general fund  
6 under subsection C of this section.

7 E. The annual budget recommendations of the governor and the joint  
8 legislative budget committee shall include estimates of appropriations or  
9 transfers required under subsection B or C of this section.

10 F. A final determination of the amount to be appropriated to or  
11 transferred from the budget stabilization fund shall be made using  
12 personal income and price deflator estimates as reported in the second  
13 calendar quarter for the preceding calendar year. The economic estimates  
14 commission shall determine the annual growth rate, the trend growth rate  
15 and the required appropriation to or transfer from the budget  
16 stabilization fund at its first meeting following the second calendar  
17 quarter report of the United States department of commerce, but not later  
18 than June 1. The commission shall certify and report its findings to the  
19 governor, the state treasurer, the president of the senate, the speaker of  
20 the house of representatives and the joint legislative budget committee.

21 G. The appropriation calculated pursuant to subsection B of this  
22 section may be included in the general appropriations bill for that fiscal  
23 year. Any additional appropriation calculated pursuant to subsection F of  
24 this section shall be made by a separate act.

25 H. At the end of a fiscal year, the budget stabilization fund  
26 balance shall not exceed ten percent of state general fund revenue for the  
27 fiscal year. Any surplus monies above ten percent shall be transferred by  
28 the state treasurer to the state general fund.

29 I. The state treasurer may temporarily divest monies in the budget  
30 stabilization fund to avoid a negative cash balance in operating  
31 monies. The amount divested shall not exceed the amount required to meet  
32 immediate cash needs. The state treasurer may divest monies in the budget  
33 stabilization fund only when the state general fund has a negative cash  
34 balance.

35 J. For the purposes of this section:

36 1. "Adjusted personal income" means personal income minus transfer  
37 payments, as reported by the United States department of commerce, bureau  
38 of economic analysis, or its successor agency.

39 2. "Annual growth rate" means the percentage change in real  
40 adjusted personal income in the calendar year ending during a fiscal year  
41 as compared to real adjusted personal income for the preceding calendar  
42 year. The annual growth rate shall be rounded to the nearest  
43 one-hundredth of one percent.

1           3. "GDP price deflator" means the gross domestic product price  
2 deflator reported by the United States department of commerce, bureau of  
3 economic analysis, or its successor agency.

4           4. "Personal income" means the total personal income of all persons  
5 in this state reported by the United States department of commerce, bureau  
6 of economic analysis, or its successor agency.

7           5. "Real adjusted personal income" means an amount that is  
8 determined by dividing adjusted personal income by the GDP price deflator  
9 and multiplying the result by one hundred.

10          6. "Transfer payments" means that portion of personal income that  
11 represents a government expenditure for which no service is rendered or  
12 product is delivered, as determined by the United States department of  
13 commerce, bureau of economic analysis, or its successor agency.

14          7. "Trend growth rate" means the average annual growth rate for the  
15 most recent seven calendar years, rounded to the nearest one-hundredth of  
16 one percent.

17          Sec. 2. Title 37, chapter 9, article 1, Arizona Revised Statutes,  
18 is amended by adding section 37-1305.01, to read:

19          37-1305.01. Fires and fire suppression activities; mitigation  
20 projects; expenses; report; obligation of  
21 monies; rules; definition

22          A. THE STATE FORESTER MAY INCUR LIABILITIES FOR MITIGATION  
23 PROJECTS.

24          B. THE STATE FORESTER OR THE STATE FORESTER'S DESIGNEE SHALL REVIEW  
25 ALL LIABILITIES INCURRED AND EXPENDITURES MADE UNDER THIS SECTION AND  
26 SHALL REPORT THE EXPENDITURES TO THE DEPARTMENT OF ADMINISTRATION FOR AN  
27 AUDIT ACCORDING TO DEPARTMENT OF ADMINISTRATION RULES. THE STATE FORESTER  
28 SHALL TRANSMIT A COPY OF THE REPORT TO THE STATE EMERGENCY COUNCIL.

29          C. LIABILITIES INCURRED FOR MITIGATION PROJECTS UNDER THIS SECTION  
30 MAY NOT EXCEED \$35,000,000 IN A FISCAL YEAR.

31          D. WITHIN THIRTY DAYS AFTER RECEIVING A COMPLETE AND CORRECT CLAIM  
32 FOR A MITIGATION PROJECT, THE STATE FORESTER SHALL PAY THE CLAIM FROM  
33 AVAILABLE MONIES APPROPRIATED FROM THE BUDGET STABILIZATION FUND PURSUANT  
34 TO SECTION 35-144, SUBSECTION A, PARAGRAPH 4 THAT HAVE NOT BEEN COMMITTED  
35 TO THE PAYMENT OF OTHER MITIGATION PROJECTS.

36          E. AN OBLIGATION OF MONIES UNDER THIS SECTION MAY BE MADE ONLY WHEN  
37 ONE OR MORE OF THE FOLLOWING CONDITIONS EXIST:

38           1. NO APPROPRIATION OR OTHER AUTHORIZATION IS AVAILABLE TO MEET THE  
39 CONTINGENCY OR EMERGENCY.

40           2. AN APPROPRIATION IS INSUFFICIENT TO MEET THE CONTINGENCY OR  
41 EMERGENCY.

42           3. FEDERAL MONIES AVAILABLE FOR THE CONTINGENCY OR EMERGENCY  
43 REQUIRE USING STATE OR OTHER PUBLIC MONIES.

1 F. THE STATE FORESTER SHALL ADOPT RULES FOR ADMINISTERING THE  
2 MITIGATION PROJECT MONIES AUTHORIZED UNDER THIS SECTION.

3 G. FOR THE PURPOSES OF THIS SECTION, "MITIGATION PROJECT":

4 1. MEANS A PROJECT TO ADDRESS POSTFIRE FLOODING AND OTHER DAMAGE  
5 THAT MAY OCCUR AS A RESULT OF FIRES OR FIRE SUPPRESSION ACTIVITIES.

6 2. INCLUDES UPGRADES, MAINTENANCE AND RECONSTRUCTION TO EXISTING  
7 FLOOD MITIGATION INFRASTRUCTURE.