

REFERENCE TITLE: capital outlay; appropriations; 2024-2025

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

## **HB 2899**

Introduced by  
Representative Livingston (with permission of Committee on Rules)

AN ACT

MAKING CAPITAL OUTLAY APPROPRIATIONS FOR THE DIFFERENT DEPARTMENTS OF THE STATE AND FOR STATE INSTITUTIONS; PROVIDING FOR REVIEW OF CAPITAL OUTLAY PROJECTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Building Renewal

3 Section 1. Capital outlay appropriations; major maintenance  
4 and repair of state buildings

5 A. Notwithstanding section 41-793.01, Arizona Revised Statutes, the  
6 amounts appropriated in this section are appropriated for fiscal year  
7 2024-2025 to be used by the applicable agency for major maintenance and  
8 repair activities for state buildings in accordance with title 41,  
9 chapter 4, article 7, Arizona Revised Statutes.

10 B. DEPARTMENT OF ADMINISTRATION \$19,000,000

11 Fund source:

12 Capital outlay stabilization fund \$19,000,000

13 The department of administration shall allocate the monies to state  
14 agencies for necessary building renewal. If monies in the capital outlay  
15 stabilization fund established by section 41-792.01, Arizona Revised  
16 Statutes, are insufficient to fund the appropriation to the department of  
17 administration for building renewal, the appropriation to the department  
18 of administration is reduced by the difference between the amount  
19 appropriated to the department of administration from the capital outlay  
20 stabilization fund and the balance in the capital outlay stabilization  
21 fund. Notwithstanding title 41, chapter 4, article 7, Arizona Revised  
22 Statutes, the department of administration may use monies appropriated for  
23 building renewal in fiscal year 2024-2025 for building projects related to  
24 retrofitting facilities for space consolidation initiatives.

25 C. STATE DEPARTMENT OF CORRECTIONS \$ 8,557,000

26 Fund source:

27 Department of corrections building  
28 renewal fund \$ 5,864,300

29 Prison construction and operations fund \$ 2,692,700

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

33 D. ARIZONA GAME AND FISH DEPARTMENT \$ 1,795,000

34 Fund source:

35 Game and fish fund \$ 1,795,000

36 E. ARIZONA STATE LOTTERY COMMISSION \$ 218,200

37 Fund source:

38 State lottery fund \$ 218,200

39 F. DEPARTMENT OF TRANSPORTATION \$22,540,100

40 Fund sources:

41 State highway fund \$22,082,800

42 State aviation fund \$ 457,300

1 Individual Projects

2 Sec. 2. Appropriations; state agencies and boards capital  
3 projects

4 A. The amounts appropriated in this section are appropriated for  
5 fiscal year 2024-2025 to be used by the applicable agency or board for  
6 individual capital projects.

7 B. ARIZONA EXPOSITION AND STATE FAIR BOARD

8 Capital improvements \$ 3,771,400

9 Fund source:

10 Arizona exposition and state fair fund \$ 3,771,400

11 C. ARIZONA STATE PARKS BOARD

12 Capital improvements \$ 3,022,000

13 Fund source:

14 State parks revenue fund \$ 3,022,000

15 The Arizona state parks board shall report to the joint committee on  
16 capital review and the governor's office of strategic planning and  
17 budgeting if the board revises the plan for any project for which monies  
18 are appropriated by this subsection because the board receives land and  
19 water conservation grant funding.

20 D. ARIZONA PIONEERS' HOME

21 Capital improvements \$ 465,000

22 Fund source:

23 Miners' hospital for miners with  
24 disabilities land fund \$ 465,000

25 E. DEPARTMENT OF TRANSPORTATION

26 Additional vehicle fueling replacement  
27 funding for facilities located in Flagstaff,  
28 Needle Mountain, Kingman, Tucson, Willcox,  
29 Three Points, Saint David, Springerville,  
30 Chambers and Holbrook \$ 9,088,200

31 Fund source:

32 State highway fund \$ 9,088,200

33 Department of Transportation Statewide Highway Construction

34 Sec. 3. Appropriation; department of transportation;  
35 statewide highway construction; reports; exemption

36 A. The amount appropriated in this section is appropriated for  
37 fiscal year 2024-2025 to plan and construct state highways, including the  
38 national system of interstate highways within this state, the state  
39 primary or secondary system, the county primary or secondary system and  
40 urban rural routes, to acquire rights-of-way and to provide for the cost  
41 of contracted field administration and field engineering on construction  
42 projects and debt service payments on bonds issued for highway  
43 construction.



1 county, city or town airports as determined by the state transportation  
2 board.

3 B. DEPARTMENT OF TRANSPORTATION \$ 25,550,000

4 Fund source:

5 State aviation fund \$ 25,550,000

6 Any balances and collections in the state aviation fund established  
7 by section 28-8202, Arizona Revised Statutes, that exceed the specific  
8 amounts appropriated in the general appropriations act and in this act are  
9 appropriated to the department of transportation in fiscal year 2024-2025  
10 for the purposes provided in this section.

11 C. On or before December 31, 2024, the department of transportation  
12 shall report to the joint legislative budget committee staff on the status  
13 of all aviation grant awards and aviation grant distributions. The report  
14 shall delineate projects by individual airport and fiscal year, including  
15 any future year commitments.

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

19 Appropriation reductions; reappropriation

20 Sec. 5. Appropriation reduction; fiscal year 2021-2022;  
21 appropriation; fiscal year 2027-2028; department of  
22 veterans' services; veterans' home facility; site  
23 selection; review; exemption

24 A. Notwithstanding any other law, the following amounts are reduced  
25 from appropriations made to the following state agency in fiscal year  
26 2021-2022 by Laws 2021, chapter 406, section 29 for the following project:

27 B. DEPARTMENT OF VETERANS' SERVICES

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

29 Fund source:

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

31 C. The sum of \$25,000,000 is appropriated from the state general  
32 fund in fiscal year 2027-2028 to the department of veterans' services to  
33 construct and establish a veterans' home facility in the northwestern  
34 portion of this state.

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

40 E. The department shall submit the proposed site location in the  
41 northwestern portion of this state to the Arizona veterans' service  
42 advisory commission established by section 41-602, Arizona Revised  
43 Statutes, for approval. The department shall provide the commission a

1 feasibility analysis of suitable sites to consider when approving the site  
2 location.

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

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

11 Sec. 6. Appropriation reductions; department of  
12 administration; capital projects; fiscal year  
13 2022-2023

14 A. Notwithstanding any other law, the following amounts are reduced  
15 from appropriations made to the following state agency in fiscal year  
16 2022-2023 by Laws 2022, chapter 309, sections 2 and 3 for the following  
17 project:

18	B. DEPARTMENT OF ADMINISTRATION	
19	1. Building renewal	\$(12,875,800)
20	2. Building demolition	\$ (68,600)
21	3. West Adams building renovations	\$(48,263,600)
22	Fund source:	
23	State general fund	\$(61,208,000)

24 Sec. 7. Appropriation reductions; department of  
25 administration; state department of corrections;  
26 capital projects; fiscal year 2023-2024

27 A. Notwithstanding any other law, the following amounts are reduced  
28 from appropriations made to the following state agencies in fiscal year  
29 2023-2024 by Laws 2023, chapter 135, sections 7 and 8 for the following  
30 projects:

31	B. DEPARTMENT OF ADMINISTRATION	
32	1. Building renewal	\$(22,539,500)
33	2. Electric vehicle charging and advance	
34	fuel infrastructure	\$ (5,000,000)
35	Fund source:	
36	State general fund	\$(27,539,500)
37	C. STATE DEPARTMENT OF CORRECTIONS	
38	1. Building renewal	\$(19,379,100)
39	2. Replace evaporative cooling statewide	
40	with HVAC	\$(56,983,600)
41	Fund source:	
42	State general fund	\$(76,362,700)



1 B. DEPARTMENT OF TRANSPORTATION  
 2 Design and construct additional vehicle  
 3 lanes, separated by a lighted median,  
 4 on Interstate 10 between State Route 85  
 5 and Citrus Road \$(55,910,000)

6 Fund sources:  
 7 State highway fund \$(55,910,000)

8 C. Notwithstanding any other law, the following amounts are reduced  
 9 from appropriations made to the following state agency in fiscal year  
 10 2023-2024 by Laws 2023, chapter 135, section 20 for the following project:

11 D. DEPARTMENT OF TRANSPORTATION  
 12 Design and construct additional vehicle  
 13 lanes, separated by a lighted median,  
 14 on Interstate 10 between State Route 85  
 15 and Citrus Road \$(52,090,000)

16 Fund sources:  
 17 State general fund \$(52,090,000)

18 E. Notwithstanding any other law, on or before June 30, 2024,  
 19 \$55,910,000 from the state highway fund established by section 28-6991,  
 20 Arizona Revised Statutes, is transferred to the state general fund for the  
 21 purposes of providing adequate support and maintenance for agencies of  
 22 this state. This amount reflects a portion of the revenues derived from  
 23 the tax levied by title 42, chapter 5, articles 1 and 5, Arizona Revised  
 24 Statutes, that were transferred to the state highway fund by Laws 2022,  
 25 chapter 321, section 20, subsection A, paragraph 2.

26 F. The sum of \$108,000,000 is appropriated from the state general  
 27 fund in fiscal year 2027-2028 to the department of transportation to  
 28 design and construct additional vehicle lanes, separated by a lighted  
 29 median, on Interstate 10 between State Route 85 and Citrus Road.

30 Sec. 10. Appropriation reduction; department of  
 31 transportation; pavement rehabilitation; fiscal  
 32 year 2022-2023

33 A. Notwithstanding any other law, the following amounts are reduced  
 34 from appropriations made to the following state agency in fiscal year  
 35 2022-2023 by Laws 2022, chapter 309, section 12 the following project:

36 B. DEPARTMENT OF TRANSPORTATION  
 37 Rehabilitate pavement on road projects  
 38 selected pursuant to Laws 2021,  
 39 chapter 406, section 34 \$(29,343,200)

40 Fund sources:  
 41 State highway fund \$(29,343,200)

42 C. Notwithstanding any other law, on or before June 30, 2024,  
 43 \$29,343,200 from the state highway fund established by section 28-6991,  
 44 Arizona Revised Statutes, is transferred to the state general fund for the



1 purposes of providing adequate support and maintenance for agencies of  
2 this state. This amount reflects a portion of the revenues derived from  
3 the tax levied by title 42, chapter 5, articles 1 and 5, Arizona Revised  
4 Statutes, that were transferred to the state highway fund by Laws 2022,  
5 chapter 321, section 20, subsection A, paragraph 2.

6 Sec. 11. Appropriation reduction; department of  
7 transportation; State Route 97; fiscal year  
8 2023-2024

9 A. Notwithstanding any other law, the following amounts are reduced  
10 from appropriations made to the following state agency in fiscal year  
11 2023-2024 by Laws 2022, chapter 309, section 18 for the following project:

12 B. DEPARTMENT OF TRANSPORTATION

13 Improve State Route 97 near Bagdad \$(10,000,000)

14 Fund sources:

15 State general fund \$(10,000,000)

16 Sec. 12. Appropriation reduction; department of  
17 transportation; pavement rehabilitation projects;  
18 fiscal year 2023-2024

19 A. Notwithstanding any other law, the following amounts are reduced  
20 from appropriations made to the following state agency in fiscal year  
21 2023-2024 by Laws 2023, chapter 135, section 13 for the following project:

22 B. DEPARTMENT OF TRANSPORTATION

23 Pavement rehabilitation projects \$(41,000,000)

24 Fund sources:

25 State general fund \$(41,000,000)

26 Sec. 13. Fund balance transfer; state parks revenue fund;  
27 fiscal year 2023-2024

28 A. Notwithstanding any other law, on or before June 30, 2024,  
29 \$38,237,100 from the state parks revenue fund established by section  
30 41-511.21, Arizona Revised Statutes, is transferred to the state general  
31 fund for the purposes of providing adequate support and maintenance for  
32 agencies of this state. This amount reflects a portion of the revenues  
33 derived from the tax levied by title 42, chapter 5, articles 1 and 5,  
34 Arizona Revised Statutes, that were transferred to the state parks revenue  
35 fund by Laws 2022, chapter 321, section 20, subsection A, paragraph 5.

36 B. On or before September 1, 2024, the Arizona state parks board  
37 shall submit an expenditure report to the joint committee on capital  
38 review that describes how monies appropriated from the state parks revenue  
39 fund by Laws 2022, chapter 309, sections 6, 19 and 20 will be allocated  
40 for capital projects listed in those sections after deducting the amount  
41 of the transfer made in subsection A of this section. The department may  
42 only spend monies for capital projects that were favorably reviewed by the  
43 joint committee on capital review before the effective date of this  
44 section.

1 Department of Transportation Highway Project Reallocations

2 Sec. 14. Appropriation reduction; department of  
3 transportation; State Route 90; Fort Huachuca;  
4 fiscal year 2020-2021

5 A. Notwithstanding any other law, the following amounts are reduced  
6 from appropriations made to the following state agency in fiscal year  
7 2020-2021 by Laws 2021, chapter 406, section 33 for the following project:

8 B. DEPARTMENT OF TRANSPORTATION

9 Improve State Route 90 near Fort Huachuca \$ (2,095,000)

10 Fund sources:

11 State general fund \$ (2,095,000)

12 Sec. 15. Supplemental appropriation; department of  
13 transportation; State Route 69 roundabout; fiscal  
14 year 2023-2024

15 A. In addition to the appropriation made by Laws 2022, chapter 309,  
16 section 8, as amended by Laws 2023, chapter 135, section 3, the following  
17 amounts are appropriated in fiscal year 2023-2024 to the following state  
18 agency for the following project:

19 B. DEPARTMENT OF TRANSPORTATION

20 Construct roundabout at intersection of  
21 State Route 69 and State Route 169 \$ 939,100

22 Fund sources:

23 State highway fund \$ 939,100

24 Sec. 16. Appropriation reduction; department of  
25 transportation; Sonoran Corridor study; fiscal  
26 year 2022-2023

27 A. Notwithstanding any other law, the following amounts are reduced  
28 from appropriations made to the following state agency in fiscal year  
29 2022-2023 by Laws 2022, chapter 309, section 8 for the following project:

30 B. DEPARTMENT OF TRANSPORTATION

31 Conduct a tier 2 study for the Sonoran  
32 Corridor in Pima county \$ (2,436,000)

33 Fund sources:

34 State highway fund \$ (2,436,000)

35 Sec. 17. Appropriation reduction; department of  
36 transportation; State Route 90; Moson Road; fiscal  
37 year 2022-2023

38 A. Notwithstanding any other law, the following amounts are reduced  
39 from appropriations made to the following state agency in fiscal year  
40 2022-2023 by Laws 2022, chapter 309, section 12, as amended by Laws 2023,  
41 chapter 135, section 5, for the following project:

1 B. DEPARTMENT OF TRANSPORTATION  
 2 Improve State Route 90 from Moson  
 3 Road to Campus Drive \$ (3,300,000)

4 Fund sources:  
 5 State highway fund \$ (3,300,000)

6 Sec. 18. Appropriation reduction; department of  
 7 transportation; State Route 303; fiscal year  
 8 2022-2023

9 A. Notwithstanding any other law, the following amounts are reduced  
 10 from appropriations made to the following state agency in fiscal year  
 11 2022-2023 by Laws 2022, chapter 309, section 8 for the following project:

12 B. DEPARTMENT OF TRANSPORTATION  
 13 Design work for the interchange at  
 14 State Route 303 and Interstate 17 \$ (4,000,000)

15 Fund sources:  
 16 State highway fund \$ (4,000,000)

17 Sec. 19. Appropriation reduction; department of  
 18 transportation; State Route 90; pavement  
 19 rehabilitation; fiscal year 2022-2023

20 A. Notwithstanding any other law, the following amounts are reduced  
 21 from appropriations made to the following state agency in fiscal year  
 22 2022-2023 by Laws 2022, chapter 309, section 8, as amended by Laws 2023,  
 23 chapter 135, section 3, for the following project:

24 B. DEPARTMENT OF TRANSPORTATION  
 25 Rehabilitate pavement along State Route 90  
 26 between Campus Drive and the U.S. Border  
 27 Patrol station in Huachuca City \$ (8,720,000)

28 Fund sources:  
 29 State highway fund \$ (8,720,000)

30 Sec. 20. Appropriation reduction; department of  
 31 transportation; United States Route 191; fiscal  
 32 year 2022-2023

33 A. Notwithstanding any other law, the following amounts are reduced  
 34 from appropriations made to the following state agency in fiscal year  
 35 2022-2023 by Laws 2022, chapter 309, section 8, as amended by Laws 2023,  
 36 chapter 135, section 3, for the following project:

37 B. DEPARTMENT OF TRANSPORTATION  
 38 Rehabilitate pavement along United States  
 39 Route 191 between Armory Road and  
 40 East Safford \$ (7,038,200)

41 Fund sources:  
 42 State highway fund \$ (7,038,200)



1 B. DEPARTMENT OF TRANSPORTATION  
 2 Improve State Route 83 within  
 3 Santa Cruz county \$ 1,100,000

4 Fund sources:  
 5 State highway fund \$ 1,100,000

6 Sec. 25. Supplemental appropriation; department of  
 7 transportation; State Route 85; fiscal year  
 8 2023-2024

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

12 B. DEPARTMENT OF TRANSPORTATION  
 13 Design work and engineer improvements on  
 14 State Route 85 between mile post 123  
 15 and Maricopa Road \$ 12,600,500

16 Fund sources:  
 17 State highway fund \$ 12,600,500

18 Sec. 26. Supplemental appropriation; department of  
 19 transportation; State Route 260; fiscal year  
 20 2023-2024

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

24 B. DEPARTMENT OF TRANSPORTATION  
 25 Improve State Route 260 within Navajo county \$ 172,200

26 Fund sources:  
 27 State general fund \$ 172,200

28 Sec. 27. Supplemental appropriation; department of  
 29 transportation; U.S. Route 60; fiscal year  
 30 2023-2024

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

34 B. DEPARTMENT OF TRANSPORTATION  
 35 Repave U.S. Route 60 between Morristown  
 36 and Wickenburg \$ 427,700

37 Fund sources:  
 38 State general fund \$ 206,800  
 39 State highway fund \$ 220,900





1           Sec. 32. Appropriation; extend State Route 24; distribution

2           Notwithstanding any other law, the \$87,500,000 appropriated from the  
3 state general fund to the department of transportation by Laws 2023,  
4 chapter 135, section 10, subsection A, paragraph 20 to distribute to the  
5 town of Queen Creek to extend State Route 24, including a traffic  
6 interchange at State Route 24 and Ironwood Road, shall be distributed to  
7 the town of Queen Creek on or before June 30, 2024.

8           Sec. 33. Use of appropriations; limit

9           A. The department of administration may spend up to five percent of  
10 the amounts appropriated to the department in this act, excluding amounts  
11 to be distributed to nonstate agencies, for expenditures for project  
12 management of building renewal and capital projects. All other monies  
13 appropriated to the department in this act may not be spent for personal  
14 services or employee-related expenditures or for maintenance contracts on  
15 building components and equipment without review by the joint committee on  
16 capital review.

17           B. Except as provided in subsection A of this section, the monies  
18 appropriated in this act may not be spent for personal services or  
19 employee-related expenditures of state employees, excluding any services  
20 provided as part of the inmate construction program for correctional  
21 facilities.