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Military Installation Fund

In December 2003, the Governor's Military Facilities Task Force put forth twenty-seven recommendations to ensure long-term retention of the State's military facilities so that they may continue to perform their vital national defense functions and maintain their critical role in the State economy. On May 17, 2004, the Governor signed House Bill 2140 (authorizing statute A.R.S. §41-1512) a comprehensive military bill that included a number of the Task Force's recommendations, including the establishment of the Military Installation Fund (MIF).

Funding is needed to create a mechanism to compensate willing landowners within the territory of Arizona's military airports, military facilities, and operating areas to ensure compatible land use around Arizona's military installations. The Task Force recognized that all private property around these installations has value. The Task Force also acknowledged that the MIF alone is not an adequate fund to address private property rights, but it is only one of five possible tools in the recommendations to address the compensation issue.

Beginning fiscal year 2004-2005, \$4.825 million dollars was appropriated from the State general fund for the MIF. The Arizona Department of Commerce, in conjunction with the Arizona Military Affairs Commission developed and adopted rule procedures for the application and disbursement of the funds.

House Bill 2140 identifies specific disbursement components that must be adhered to including:

- Eighty percent of the monies in the fund shall be used for private property acquisition for the purpose of preserving a military installation; acquisition of real estate and rights to real estate and otherwise preserving real estate from development or mitigating impacts on development in high noise or accident potential zones and in areas as required to support a military installation; and, acquisition of real estate, property rights and related infrastructure that is vital to the preservation or enhancement of a military installation. Twenty percent of this amount may be awarded to cities, towns and counties for land acquisition purposes.
- Twenty percent of the monies in the fund shall go to cities, towns, and counties for military installation preservation and enhancement projects.
- Monies in the MIF may be awarded for debt service on bonds issued by a political subdivision for the purpose of acquisition of private property for preserving a military airport or ancillary military facility.

The final RuleMaking Notice that established the MIF is available on the Department of Emergency and Military Affairs (DEMA) website located at: www.azdema.gov/MIF.

For specific questions regarding the MIF, please contact Diane Watkins, Program Coordinator, DEMA Office at 602.267.2351, or Edward Flinn, Director, DEMA State Activities 602.267.2732.