

REFERENCE TITLE: schools; ending balances; property tax reduction

State of Arizona
House of Representatives
Fifty-first Legislature
First Regular Session
2013

HB 2349

Introduced by
Representative Seel

AN ACT

AMENDING SECTIONS 15-971 AND 15-972, ARIZONA REVISED STATUTES; RELATING TO
SCHOOL FINANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 15-971, Arizona Revised Statutes, is amended to
3 read:
4 15-971. Determination of equalization assistance payments from
5 county and state funds for school districts
6 A. Equalization assistance for education is computed by determining
7 the total of the following:
8 1. The lesser of a school district's revenue control limit or district
9 support level as determined in section 15-947 or 15-951.
10 2. The capital outlay revenue limit of a school district as determined
11 in section 15-951 or 15-961.
12 3. The soft capital allocation of a school district as determined in
13 section 15-951 or 15-962.
14 B. From the total of the amounts determined in subsection A of this
15 section subtract:
16 1. The amount that would be produced by levying the applicable
17 qualifying tax rate determined pursuant to section 41-1276 for a high school
18 district or a common school district within a high school district that does
19 not offer instruction in high school subjects as provided in section 15-447.
20 2. The amount that would be produced by levying the applicable
21 qualifying tax rate determined pursuant to section 41-1276 for a unified
22 school district, a common school district not within a high school district
23 or a common school district within a high school district that offers
24 instruction in high school subjects as provided in section 15-447. The
25 qualifying tax rate shall be applied in the following manner:
26 (a) For the purposes of the amount determined in subsection A,
27 paragraph 1 of this section:
28 (i) Determine separately the percentage that the weighted student
29 count in preschool programs for children with disabilities, kindergarten
30 programs and grades one through eight and the weighted student count in
31 grades nine through twelve is to the weighted student count determined in
32 subtotal A as provided in section 15-943, paragraph 2, subdivision (a).
33 (ii) Apply the percentages determined in item (i) **OF THIS SUBDIVISION**
34 to the amount determined in subsection A, paragraph 1 of this section.
35 (b) For the purposes of the amounts determined in subsection A,
36 paragraphs 2 and 3 of this section, determine separately the amount of the
37 capital outlay revenue limit and the amount of the soft capital allocation
38 attributable to the student count in preschool programs for children with
39 disabilities, kindergarten programs and grades one through eight and grades
40 nine through twelve.
41 (c) From the amounts determined in subdivisions (a) and (b) **OF THIS**
42 **PARAGRAPH**, subtract the levy that would be produced by the current qualifying
43 tax rate for a high school district or a common school district within a high
44 school district that does not offer instruction in high school subjects as
45 provided in section 15-447. If the qualifying tax rate generates a levy that

1 is in excess of the total determined in subsection A of this section, the
2 school district shall not be eligible for equalization assistance. For the
3 purposes of this subsection, "assessed valuation" includes the values used to
4 determine voluntary contributions collected pursuant to title 9, chapter 4,
5 article 3 and title 48, chapter 1, article 8 and the assessed value of all
6 property subject to the government property lease excise tax pursuant to
7 title 42, chapter 6, article 5.

8 3. The amount that would be produced by levying a qualifying tax rate
9 in a joint technical education district, which shall be five cents per one
10 hundred dollars assessed valuation unless the legislature sets a lower rate
11 by law.

12 4. FOR FISCAL YEAR 2013-2014 ONLY, AN AMOUNT EQUAL TO TWENTY PER CENT
13 OF THE SUM OF THE ENDING BALANCES AS OF JUNE 30 OF THE PRIOR FISCAL YEAR FOR
14 THE SCHOOL DISTRICT'S MAINTENANCE AND OPERATION FUND, CAPITAL OUTLAY FUND AND
15 SOFT CAPITAL ALLOCATION FUND.

16 5. FOR FISCAL YEAR 2014-2015 ONLY, AN AMOUNT EQUAL TO FORTY PER CENT
17 OF THE SUM OF THE ENDING BALANCES AS OF JUNE 30 OF THE PRIOR FISCAL YEAR FOR
18 THE SCHOOL DISTRICT'S MAINTENANCE AND OPERATION FUND, CAPITAL OUTLAY FUND AND
19 SOFT CAPITAL ALLOCATION FUND.

20 6. FOR FISCAL YEAR 2015-2016 ONLY, AN AMOUNT EQUAL TO SIXTY PER CENT
21 OF THE SUM OF THE ENDING BALANCES AS OF JUNE 30 OF THE PRIOR FISCAL YEAR FOR
22 THE SCHOOL DISTRICT'S MAINTENANCE AND OPERATION FUND, CAPITAL OUTLAY FUND AND
23 SOFT CAPITAL ALLOCATION FUND.

24 7. FOR FISCAL YEAR 2016-2017 ONLY, AN AMOUNT EQUAL TO EIGHTY PER CENT
25 OF THE SUM OF THE ENDING BALANCES AS OF JUNE 30 OF THE PRIOR FISCAL YEAR FOR
26 THE SCHOOL DISTRICT'S MAINTENANCE AND OPERATION FUND, CAPITAL OUTLAY FUND AND
27 SOFT CAPITAL ALLOCATION FUND.

28 8. FOR FISCAL YEAR 2017-2018 ONLY, AN AMOUNT EQUAL TO THE SUM OF THE
29 ENDING BALANCES AS OF JUNE 30 OF THE PRIOR FISCAL YEAR FOR THE SCHOOL
30 DISTRICT'S MAINTENANCE AND OPERATION FUND.

31 C. County aid for equalization assistance for education shall be
32 computed as follows:

33 1. Determine the total equalization assistance for all school
34 districts in the county as provided in subsections A and B of this section.

35 2. Determine the total amount of state equalization assistance
36 collected for all school districts in the county as provided in section
37 15-994.

38 3. Divide the amount determined in paragraph 2 of this subsection by
39 the amount determined in paragraph 1 of this subsection.

40 4. Multiply the amount determined in subsections A and B of this
41 section by the quotient determined in paragraph 3 of this subsection for each
42 school district.

43 5. The amount determined in paragraph 4 of this subsection shall be
44 the county aid for equalization assistance for education for a school
45 district.

1 D. State aid for equalization assistance for education for a school
2 district shall be computed as follows:

3 1. Determine the equalization assistance for education for a school
4 district as provided in subsections A and B of this section.

5 2. For each county, determine the levy that would be produced by the
6 state equalization assistance property tax rate prescribed in section 15-994,
7 subsection A.

8 3. Prorate the amount determined in paragraph 2 of this subsection to
9 each school district in the county as prescribed by subsection C of this
10 section.

11 4. Subtract the amount determined in paragraph 3 of this subsection
12 from the amount determined in paragraph 1 of this subsection.

13 E. Equalization assistance for education shall be paid from
14 appropriations for that purpose to the school districts as provided in
15 section 15-973.

16 F. A school district shall report expenditures on approved career and
17 technical education and vocational education programs in the annual financial
18 report according to uniform guidelines prescribed by the uniform system of
19 financial records and in order to facilitate compliance with sections 15-255
20 and 15-904.

21 G. The additional weight for state aid purposes given to special
22 education as provided in section 15-943 shall be given to school districts
23 only if special education programs comply with chapter 7, article 4 of this
24 title and the conditions and standards prescribed by the superintendent of
25 public instruction pursuant to rules of the state board of education for
26 pupil identification and placement pursuant to sections 15-766 and 15-767.

27 H. In addition to general fund appropriations, all amounts received
28 pursuant to section 37-521, subsection B, paragraph 3 and section 42-5029,
29 subsection E, paragraph 5 and from any other source for the purposes of this
30 section are appropriated for state aid to schools as provided in this
31 section.

32 I. The total amount of state monies that may be spent in any fiscal
33 year for state equalization assistance shall not exceed the amount
34 appropriated or authorized by section 35-173 for that purpose. This section
35 shall not be construed to impose a duty on an officer, agent or employee of
36 this state to discharge a responsibility or to create any right in a person
37 or group if the discharge or right would require an expenditure of state
38 monies in excess of the expenditure authorized by legislative appropriation
39 for that specific purpose.

40 Sec. 2. Section 15-972, Arizona Revised Statutes, is amended to read:

41 15-972. State limitation on homeowner property taxes;
42 additional state aid to school districts; definitions

43 A. Notwithstanding section 15-971, there shall be additional state aid
44 for education computed for school districts as provided in subsection B of
45 this section.

1 B. The clerk of the board of supervisors shall compute such additional
2 state aid for education as follows:

3 1. For a high school district or for a common school district within a
4 high school district ~~which~~ THAT does not offer instruction in high school
5 subjects as provided in section 15-447:

6 (a) Determine the qualifying tax rate pursuant to section 41-1276 for
7 the school district.

8 (b) Determine the following percentage of the qualifying tax rate
9 determined in subdivision (a) of this paragraph:

10 (i) Thirty-five per cent through December 31, 2005.

11 (ii) Thirty-six per cent beginning from and after December 31, 2005
12 through December 31, 2006.

13 (iii) Thirty-seven per cent beginning from and after December 31, 2006
14 through December 31, 2007.

15 (iv) Thirty-eight per cent beginning from and after December 31, 2007
16 through December 31, 2008.

17 (v) Thirty-nine per cent beginning from and after December 31, 2008
18 through December 31, 2009.

19 (vi) Forty per cent beginning from and after December 31, 2009.

20 (vii) Such further adjustments of the percentage beginning from and
21 after December 31, 2012 as provided by law.

22 (c) Select the lesser of the amount determined in subdivision (b) of
23 this paragraph or forty per cent of the primary property tax rate that would
24 be levied in lieu of the provisions of this section for the district.

25 (d) Multiply the rate selected in subdivision (c) of this paragraph as
26 a rate per one hundred dollars assessed valuation by the assessed valuation
27 used for primary property taxes of the residential property in the school
28 district. **MONIES ALLOCATED TO SCHOOL DISTRICTS PURSUANT TO THIS SUBDIVISION
29 SHALL BE USED TO REDUCE PROPERTY TAXES FOR CLASS THREE PROPERTIES ONLY.**

30 (e) **FOR FISCAL YEAR 2013-2014 ONLY, ADD AN AMOUNT EQUAL TO ONE HUNDRED
31 FORTY-FOUR MILLION DOLLARS MULTIPLIED BY THE PERCENTAGE OF ALL STATEWIDE
32 CLASS ONE PRIMARY AND SECONDARY PROPERTY TAX LEVIES FOR ALL TAXING
33 JURISDICTIONS COMBINED THAT ARE LEVIED AGAINST CLASS ONE PROPERITES LOCATED
34 WITHIN THE SCHOOL DISTRICT. MONIES ALLOCATED TO A SCHOOL DISTRICT PURSUANT
35 TO THIS SUBDIVISION SHALL BE REMITTED TO THE COUNTY TREASURER FOR USE IN
36 REDUCING PROPERTY TAXES FOR PROPERTY CLASSES TWO THROUGH NINE FOR ALL TAXING
37 JURISDICTIONS WITHIN THE SCHOOL DISTRICT ON A PRO RATA BASIS.**

38 (f) **FOR FISCAL YEAR 2014-2015 ONLY, ADD AN AMOUNT EQUAL TO TWO HUNDRED
39 EIGHTY-EIGHT MILLION DOLLARS MULTIPLIED BY THE PERCENTAGE OF ALL STATEWIDE
40 CLASS ONE PRIMARY AND SECONDARY PROPERTY TAX LEVIES FOR ALL TAXING
41 JURISDICTIONS COMBINED THAT ARE LEVIED AGAINST CLASS ONE PROPERITES LOCATED
42 WITHIN THE SCHOOL DISTRICT. MONIES ALLOCATED TO A SCHOOL DISTRICT PURSUANT
43 TO THIS SUBDIVISION SHALL BE REMITTED TO THE COUNTY TREASURER FOR USE IN
44 REDUCING PROPERTY TAXES FOR PROPERTY CLASSES TWO THROUGH NINE FOR ALL TAXING
45 JURISDICTIONS WITHIN THE SCHOOL DISTRICT ON A PRO RATA BASIS.**

1 (g) FOR FISCAL YEAR 2015-2016 ONLY, ADD AN AMOUNT EQUAL TO FOUR
2 HUNDRED THIRTY-TWO MILLION DOLLARS MULTIPLIED BY THE PERCENTAGE OF ALL
3 STATEWIDE CLASS ONE PRIMARY AND SECONDARY PROPERTY TAX LEVIES FOR ALL TAXING
4 JURISDICTIONS COMBINED THAT ARE LEVIED AGAINST CLASS ONE PROPERITES LOCATED
5 WITHIN THE SCHOOL DISTRICT. MONIES ALLOCATED TO A SCHOOL DISTRICT PURSUANT
6 TO THIS SUBDIVISION SHALL BE REMITTED TO THE COUNTY TREASURER FOR USE IN
7 REDUCING PROPERTY TAXES FOR PROPERTY CLASSES TWO THROUGH NINE FOR ALL TAXING
8 JURISDICTIONS WITHIN THE SCHOOL DISTRICT ON A PRO RATA BASIS.

9 (h) FOR FISCAL YEAR 2016-2017 ONLY, ADD AN AMOUNT EQUAL TO FIVE
10 HUNDRED SEVENTY-SIX MILLION DOLLARS MULTIPLIED BY THE PERCENTAGE OF ALL
11 STATEWIDE CLASS ONE PRIMARY AND SECONDARY PROPERTY TAX LEVIES FOR ALL TAXING
12 JURISDICTIONS COMBINED THAT ARE LEVIED AGAINST CLASS ONE PROPERITES LOCATED
13 WITHIN THE SCHOOL DISTRICT. MONIES ALLOCATED TO A SCHOOL DISTRICT PURSUANT
14 TO THIS SUBDIVISION SHALL BE REMITTED TO THE COUNTY TREASURER FOR USE IN
15 REDUCING PROPERTY TAXES FOR PROPERTY CLASSES TWO THROUGH NINE FOR ALL TAXING
16 JURISDICTIONS WITHIN THE SCHOOL DISTRICT ON A PRO RATA BASIS.

17 (i) FOR FISCAL YEAR 2017-2018 ONLY, ADD AN AMOUNT EQUAL TO SEVEN
18 HUNDRED TWENTY MILLION DOLLARS MULTIPLIED BY THE PERCENTAGE OF ALL STATEWIDE
19 CLASS ONE PRIMARY AND SECONDARY PROPERTY TAX LEVIES FOR ALL TAXING
20 JURISDICTIONS COMBINED THAT ARE LEVIED AGAINST CLASS ONE PROPERITES LOCATED
21 WITHIN THE SCHOOL DISTRICT. MONIES ALLOCATED TO A SCHOOL DISTRICT PURSUANT
22 TO THIS SUBDIVISION SHALL BE REMITTED TO THE COUNTY TREASURER FOR USE IN
23 REDUCING PROPERTY TAXES FOR PROPERTY CLASSES TWO THROUGH NINE FOR ALL TAXING
24 JURISDICTIONS WITHIN THE SCHOOL DISTRICT ON A PRO RATA BASIS.

25 2. For a unified school district, for a common school district not
26 within a high school district or for a common school district ~~which~~ THAT
27 offers instruction in high school subjects as provided in section 15-447:

28 (a) Determine the qualifying tax rate pursuant to section 41-1276 for
29 the school district.

30 (b) Determine the following percentage of the tax rate determined in
31 subdivision (a) of this paragraph:

32 (i) Thirty-five per cent through December 31, 2005.

33 (ii) Thirty-six per cent beginning from and after December 31, 2005
34 through December 31, 2006.

35 (iii) Thirty-seven per cent beginning from and after December 31, 2006
36 through December 31, 2007.

37 (iv) Thirty-eight per cent beginning from and after December 31, 2007
38 through December 31, 2008.

39 (v) Thirty-nine per cent beginning from and after December 31, 2008
40 through December 31, 2009.

41 (vi) Forty per cent beginning from and after December 31, 2009.

42 (vii) Such further adjustments of the percentage beginning from and
43 after December 31, 2012 as provided by law.

1 (c) Select the lesser of the amount determined in subdivision (b) of
2 this paragraph or forty per cent of the primary property tax rate that would
3 be levied in lieu of the provisions of this section for the district.

4 (d) Multiply the rate selected in subdivision (c) of this paragraph as
5 a rate per one hundred dollars assessed valuation by the assessed valuation
6 used for primary property taxes of the residential property in the district.
7 MONIES ALLOCATED TO SCHOOL DISTRICTS PURSUANT TO THIS SUBDIVISION SHALL BE
8 USED TO REDUCE PROPERTY TAXES FOR CLASS THREE PROPERTIES ONLY.

9 (e) FOR FISCAL YEAR 2013-2014 ONLY, ADD AN AMOUNT EQUAL TO ONE HUNDRED
10 FORTY-FOUR MILLION DOLLARS MULTIPLIED BY THE PERCENTAGE OF ALL STATEWIDE
11 CLASS ONE PRIMARY AND SECONDARY PROPERTY TAX LEVIES FOR ALL TAXING
12 JURISDICTIONS COMBINED THAT ARE LEVIED AGAINST CLASS ONE PROPERITES LOCATED
13 WITHIN THE SCHOOL DISTRICT. MONIES ALLOCATED TO A SCHOOL DISTRICT PURSUANT
14 TO THIS SUBDIVISION SHALL BE REMITTED TO THE COUNTY TREASURER FOR USE IN
15 REDUCING PROPERTY TAXES FOR PROPERTY CLASSES TWO THROUGH NINE FOR ALL TAXING
16 JURISDICTIONS WITHIN THE SCHOOL DISTRICT ON A PRO RATA BASIS.

17 (f) FOR FISCAL YEAR 2014-2015 ONLY, ADD AN AMOUNT EQUAL TO TWO HUNDRED
18 EIGHTY-EIGHT MILLION DOLLARS MULTIPLIED BY THE PERCENTAGE OF ALL STATEWIDE
19 CLASS ONE PRIMARY AND SECONDARY PROPERTY TAX LEVIES FOR ALL TAXING
20 JURISDICTIONS COMBINED THAT ARE LEVIED AGAINST CLASS ONE PROPERITES LOCATED
21 WITHIN THE SCHOOL DISTRICT. MONIES ALLOCATED TO A SCHOOL DISTRICT PURSUANT
22 TO THIS SUBDIVISION SHALL BE REMITTED TO THE COUNTY TREASURER FOR USE IN
23 REDUCING PROPERTY TAXES FOR PROPERTY CLASSES TWO THROUGH NINE FOR ALL TAXING
24 JURISDICTIONS WITHIN THE SCHOOL DISTRICT ON A PRO RATA BASIS.

25 (g) FOR FISCAL YEAR 2015-2016 ONLY, ADD AN AMOUNT EQUAL TO FOUR
26 HUNDRED THIRTY-TWO MILLION DOLLARS MULTIPLIED BY THE PERCENTAGE OF ALL
27 STATEWIDE CLASS ONE PRIMARY AND SECONDARY PROPERTY TAX LEVIES FOR ALL TAXING
28 JURISDICTIONS COMBINED THAT ARE LEVIED AGAINST CLASS ONE PROPERITES LOCATED
29 WITHIN THE SCHOOL DISTRICT. MONIES ALLOCATED TO A SCHOOL DISTRICT PURSUANT
30 TO THIS SUBDIVISION SHALL BE REMITTED TO THE COUNTY TREASURER FOR USE IN
31 REDUCING PROPERTY TAXES FOR PROPERTY CLASSES TWO THROUGH NINE FOR ALL TAXING
32 JURISDICTIONS WITHIN THE SCHOOL DISTRICT ON A PRO RATA BASIS.

33 (h) FOR FISCAL YEAR 2016-2017 ONLY, ADD AN AMOUNT EQUAL TO FIVE
34 HUNDRED SEVENTY-SIX MILLION DOLLARS MULTIPLIED BY THE PERCENTAGE OF ALL
35 STATEWIDE CLASS ONE PRIMARY AND SECONDARY PROPERTY TAX LEVIES FOR ALL TAXING
36 JURISDICTIONS COMBINED THAT ARE LEVIED AGAINST CLASS ONE PROPERITES LOCATED
37 WITHIN THE SCHOOL DISTRICT. MONIES ALLOCATED TO A SCHOOL DISTRICT PURSUANT
38 TO THIS SUBDIVISION SHALL BE REMITTED TO THE COUNTY TREASURER FOR USE IN
39 REDUCING PROPERTY TAXES FOR PROPERTY CLASSES TWO THROUGH NINE FOR ALL TAXING
40 JURISDICTIONS WITHIN THE SCHOOL DISTRICT ON A PRO RATA BASIS.

41 (i) FOR FISCAL YEAR 2017-2018 ONLY, ADD AN AMOUNT EQUAL TO SEVEN
42 HUNDRED TWENTY MILLION DOLLARS MULTIPLIED BY THE PERCENTAGE OF ALL STATEWIDE
43 CLASS ONE PRIMARY AND SECONDARY PROPERTY TAX LEVIES FOR ALL TAXING
44 JURISDICTIONS COMBINED THAT ARE LEVIED AGAINST CLASS ONE PROPERITES LOCATED
45 WITHIN THE SCHOOL DISTRICT. MONIES ALLOCATED TO A SCHOOL DISTRICT PURSUANT

1 TO THIS SUBDIVISION SHALL BE REMITTED TO THE COUNTY TREASURER FOR USE IN
2 REDUCING PROPERTY TAXES FOR PROPERTY CLASSES TWO THROUGH NINE FOR ALL TAXING
3 JURISDICTIONS WITHIN THE SCHOOL DISTRICT ON A PRO RATA BASIS.

4 C. The clerk of the board of supervisors shall report to the
5 department of revenue not later than the Friday following the third Monday in
6 August of each year the amount by school district of additional state aid for
7 education and the data used for computing the amount as provided in
8 subsection B of this section. The department of revenue shall verify all of
9 the amounts and report to the county board of supervisors not later than
10 August 30 of each year the property tax rate or rates which shall be used for
11 property tax reduction as provided in subsection E of this section.

12 D. The board of supervisors shall reduce the property tax rate or
13 rates that would be levied in lieu of the provisions of this section by the
14 school district or districts on the assessed valuation used for primary
15 property taxes of the residential property in the school district or
16 districts by the rate or rates selected in subsection B, paragraph 1,
17 subdivision (c) and paragraph 2, subdivision (c) of this section. The excess
18 of the reduction in property taxes for a parcel of property resulting from
19 the reduction in the property tax rate pursuant to this subsection over the
20 amounts listed in this subsection shall be deducted from the amount of
21 additional state aid for education. The reduction in property taxes on a
22 parcel of property resulting from the reduction in the property tax rate
23 pursuant to this subsection shall not exceed the following amounts except as
24 provided in subsection I of this section:

- 25 1. Five hundred dollars through December 31, 2005.
- 26 2. Five hundred twenty dollars beginning from and after December 31,
27 2005 through December 31, 2006.
- 28 3. Five hundred forty dollars beginning from and after December 31,
29 2006 through December 31, 2007.
- 30 4. Five hundred sixty dollars beginning from and after December 31,
31 2007 through December 31, 2008.
- 32 5. Five hundred eighty dollars beginning from and after December 31,
33 2008 through December 31, 2009.
- 34 6. Six hundred dollars beginning from and after December 31, 2009.

35 E. Prior to the levying of taxes for school purposes the board of
36 supervisors shall determine whether the total primary property taxes to be
37 levied for all taxing jurisdictions on each parcel of residential property,
38 in lieu of the provisions of this subsection, violate article IX, section 18,
39 Constitution of Arizona. For those properties that qualify for property tax
40 exemptions pursuant to article IX, sections 2, 2.1 and 2.2, Constitution of
41 Arizona, eligibility for the credit is determined on the basis of the limited
42 property value that corresponds to the taxable assessed value after reduction
43 for the applicable exemption. If the board of supervisors determines that
44 such a situation exists, the board shall apply a credit against the primary
45 property taxes due from each such parcel in the amount in excess of article

1 IX, section 18, Constitution of Arizona. Such excess amounts shall also be
2 additional state aid for education for the school district or districts in
3 which such parcel of property is located.

4 F. The clerk of the board of supervisors shall report to the
5 department of revenue not later than September 5 of each year the amount by
6 school district of additional state aid for education and the data used for
7 computing the amount as provided in subsection B of this section. The
8 department of revenue shall verify all of the amounts and report to the board
9 of supervisors not later than September 10 of each year the property tax rate
10 which shall be used for property tax reduction as provided in subsection E of
11 this section.

12 G. The clerk of the board of supervisors shall report to the
13 department of revenue not later than September 30 of each year in writing the
14 following:

15 1. The data processing specifications used in the calculations
16 provided for in subsections B and E of this section.

17 2. At a minimum, copies of two actual tax bills for residential
18 property for each distinct tax area.

19 H. The department of revenue shall report to the state board of
20 education not later than October 12 of each year the amount by school
21 district of additional state aid for education as provided in this section.
22 The additional state aid for education provided in this section shall be
23 apportioned as provided in section 15-973.

24 I. If a parcel of property is owned by a cooperative apartment
25 corporation or is owned by the tenants of a cooperative apartment corporation
26 as tenants in common, the reduction in the property taxes prescribed in
27 subsection D of this section shall not exceed the amounts listed in
28 subsection D of this section for each owner occupied housing unit on the
29 property. The assessed value used for determining the reduction in taxes for
30 the property is equal to the total assessed value of the property times the
31 ratio of the number of owner occupied housing units to the total number of
32 housing units on the property. For the purposes of this subsection,
33 "cooperative apartment corporation" means a corporation:

34 1. Having only one class of outstanding stock.

35 2. All of the stockholders of which are entitled, solely by reason of
36 their ownership of stock in the corporation, to occupy for dwelling purposes
37 apartments in a building owned or leased by such corporation and who are not
38 entitled, either conditionally or unconditionally, except upon a complete or
39 partial liquidation of the corporation, to receive any distribution not out
40 of earnings and profits of the corporation.

41 3. Eighty per cent or more of the gross income of which is derived
42 from tenant-stockholders. For the purposes of this paragraph, "gross income"
43 means gross income as defined by the United States internal revenue code, as
44 defined in section 43-105.

1 J. The total amount of state monies that may be spent in any fiscal
2 year for state aid for education in this section shall not exceed the amount
3 appropriated or authorized by section 35-173 for that purpose. This section
4 shall not be construed to impose a duty on an officer, agent or employee of
5 this state to discharge a responsibility or to create any right in a person
6 or group if the discharge or right would require an expenditure of state
7 monies in excess of the expenditure authorized by legislative appropriation
8 for that specific purpose.

9 K. For the purposes of this section:

10 1. "Owner" includes any purchaser under a contract of sale or under a
11 deed of trust.

12 2. "Residential property" includes owner occupied real property and
13 improvements to the property and owner occupied mobile homes that are used as
14 the owner's primary residence and classified as class three property pursuant
15 to section 42-12003.

16 Sec. 3. Assessed valuation of class one property; temporary
17 reduction; fiscal years 2013-2014 through 2017-2018

18 Notwithstanding section 42-15001, Arizona Revised Statutes, the
19 assessment ratio of class one property shall be as follows:

- 20 1. For tax year 2013-2014, 17.6%.
21 2. For tax year 2014-2015, 15.7%.
22 3. For tax year 2015-2016, 13.8%.
23 4. For tax year 2016-2017, 11.9%.
24 5. For tax year 2017-2018, 10.0%.