

REFERENCE TITLE: schools; ending balances; tax reduction

State of Arizona  
House of Representatives  
Fifty-first Legislature  
Second Regular Session  
2014

# HB 2184

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. District additional assistance of a school district as determined  
11 in section 15-951 or 15-961.  
12 B. From the total of the amounts determined in subsection A of this  
13 section subtract:  
14 1. The amount that would be produced by levying the applicable  
15 qualifying tax rate determined pursuant to section 41-1276 for a high school  
16 district or a common school district within a high school district that does  
17 not offer instruction in high school subjects as provided in section 15-447.  
18 2. The amount that would be produced by levying the applicable  
19 qualifying tax rate determined pursuant to section 41-1276 for a unified  
20 school district, a common school district not within a high school district  
21 or a common school district within a high school district that offers  
22 instruction in high school subjects as provided in section 15-447. The  
23 qualifying tax rate shall be applied in the following manner:  
24 (a) For the purposes of the amount determined in subsection A,  
25 paragraph 1 of this section:  
26 (i) Determine separately the percentage that the weighted student  
27 count in preschool programs for children with disabilities, kindergarten  
28 programs and grades one through eight and the weighted student count in  
29 grades nine through twelve is to the weighted student count determined in  
30 subtotal A as provided in section 15-943, paragraph 2, subdivision (a).  
31 (ii) Apply the percentages determined in item (i) of this subdivision  
32 to the amount determined in subsection A, paragraph 1 of this section.  
33 (b) For the purposes of the amounts determined in subsection A,  
34 paragraph 2 of this section, determine separately the amount of the district  
35 additional assistance attributable to the student count in preschool programs  
36 for children with disabilities, kindergarten programs and grades one through  
37 eight and grades nine through twelve.  
38 (c) From the amounts determined in subdivisions (a) and (b) of this  
39 paragraph, subtract the levy that would be produced by the current qualifying  
40 tax rate for a high school district or a common school district within a high  
41 school district that does not offer instruction in high school subjects as  
42 provided in section 15-447. If the qualifying tax rate generates a levy that  
43 is in excess of the total determined in subsection A of this section, the  
44 school district shall not be eligible for equalization assistance. For the  
45 purposes of this subsection, "assessed valuation" includes the values used to

1 determine voluntary contributions collected pursuant to title 9, chapter 4,  
2 article 3 and title 48, chapter 1, article 8 and the assessed value of all  
3 property subject to the government property lease excise tax pursuant to  
4 title 42, chapter 6, article 5.

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

9 4. FOR FISCAL YEAR 2014-2015 ONLY, AN AMOUNT EQUAL TO TWENTY PER CENT  
10 OF THE SUM OF THE ENDING BALANCES AS OF JUNE 30 OF THE PRIOR FISCAL YEAR FOR  
11 THE SCHOOL DISTRICT'S MAINTENANCE AND OPERATION FUND, CAPITAL OUTLAY FUND AND  
12 SOFT CAPITAL ALLOCATION FUND.

13 5. FOR FISCAL YEAR 2015-2016 ONLY, AN AMOUNT EQUAL TO FORTY PER CENT  
14 OF THE SUM OF THE ENDING BALANCES AS OF JUNE 30 OF THE PRIOR FISCAL YEAR FOR  
15 THE SCHOOL DISTRICT'S MAINTENANCE AND OPERATION FUND, CAPITAL OUTLAY FUND AND  
16 SOFT CAPITAL ALLOCATION FUND.

17 6. FOR FISCAL YEAR 2016-2017 ONLY, AN AMOUNT EQUAL TO SIXTY PER CENT  
18 OF THE SUM OF THE ENDING BALANCES AS OF JUNE 30 OF THE PRIOR FISCAL YEAR FOR  
19 THE SCHOOL DISTRICT'S MAINTENANCE AND OPERATION FUND, CAPITAL OUTLAY FUND AND  
20 SOFT CAPITAL ALLOCATION FUND.

21 7. FOR FISCAL YEAR 2017-2018 ONLY, AN AMOUNT EQUAL TO EIGHTY PER CENT  
22 OF THE SUM OF THE ENDING BALANCES AS OF JUNE 30 OF THE PRIOR FISCAL YEAR FOR  
23 THE SCHOOL DISTRICT'S MAINTENANCE AND OPERATION FUND, CAPITAL OUTLAY FUND AND  
24 SOFT CAPITAL ALLOCATION FUND.

25 8. FOR FISCAL YEAR 2018-2019 ONLY, AN AMOUNT EQUAL TO THE SUM OF THE  
26 ENDING BALANCES AS OF JUNE 30 OF THE PRIOR FISCAL YEAR FOR THE SCHOOL  
27 DISTRICT'S MAINTENANCE AND OPERATION FUND.

28 C. County aid for equalization assistance for education shall be  
29 computed as follows:

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

32 2. Determine the total amount of state equalization assistance  
33 collected for all school districts in the county as provided in section  
34 15-994.

35 3. Divide the amount determined in paragraph 2 of this subsection by  
36 the amount determined in paragraph 1 of this subsection.

37 4. Multiply the amount determined in subsections A and B of this  
38 section by the quotient determined in paragraph 3 of this subsection for each  
39 school district.

40 5. The amount determined in paragraph 4 of this subsection shall be  
41 the county aid for equalization assistance for education for a school  
42 district.

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

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

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

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

9           4. Subtract the amount determined in paragraph 3 of this subsection  
10 from the amount determined in paragraph 1 of this subsection.

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

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

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

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

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

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

39           15-972. State limitation on homeowner property taxes;  
40           additional state aid to school districts; definitions

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

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

- 1           1. For a high school district or for a common school district within a  
2 high school district ~~which~~ THAT does not offer instruction in high school  
3 subjects as provided in section 15-447:
- 4           (a) Determine the qualifying tax rate pursuant to section 41-1276 for  
5 the school district.
- 6           (b) Determine the following percentage of the qualifying tax rate  
7 determined in subdivision (a) of this paragraph:
- 8           (i) Thirty-five per cent through December 31, 2005.
- 9           (ii) Thirty-six per cent beginning from and after December 31, 2005  
10 through December 31, 2006.
- 11           (iii) Thirty-seven per cent beginning from and after December 31, 2006  
12 through December 31, 2007.
- 13           (iv) Thirty-eight per cent beginning from and after December 31, 2007  
14 through December 31, 2008.
- 15           (v) Thirty-nine per cent beginning from and after December 31, 2008  
16 through December 31, 2009.
- 17           (vi) Forty per cent beginning from and after December 31, 2009.
- 18           (vii) Such further adjustments of the percentage beginning from and  
19 after December 31, 2012 as provided by law.
- 20           (c) Select the lesser of the amount determined in subdivision (b) of  
21 this paragraph or forty per cent of the primary property tax rate that would  
22 be levied in lieu of the provisions of this section for the district.
- 23           (d) Multiply the rate selected in subdivision (c) of this paragraph as  
24 a rate per one hundred dollars assessed valuation by the assessed valuation  
25 used for primary property taxes of the residential property in the school  
26 district. **MONIES ALLOCATED TO SCHOOL DISTRICTS PURSUANT TO THIS SUBDIVISION**  
27 **SHALL BE USED TO REDUCE PROPERTY TAXES FOR CLASS THREE PROPERTIES ONLY.**
- 28           (e) **FOR FISCAL YEAR 2014-2015 ONLY, ADD AN AMOUNT EQUAL TO ONE HUNDRED**  
29 **FORTY-FOUR MILLION DOLLARS MULTIPLIED BY THE PERCENTAGE OF ALL STATEWIDE**  
30 **CLASS ONE PRIMARY AND SECONDARY PROPERTY TAX LEVIES FOR ALL TAXING**  
31 **JURISDICTIONS COMBINED THAT ARE LEVIED AGAINST CLASS ONE PROPERTIES LOCATED**  
32 **WITHIN THE SCHOOL DISTRICT. MONIES ALLOCATED TO A SCHOOL DISTRICT PURSUANT**  
33 **TO THIS SUBDIVISION SHALL BE REMITTED TO THE COUNTY TREASURER FOR USE IN**  
34 **REDUCING PROPERTY TAXES FOR PROPERTY CLASSES TWO THROUGH NINE FOR ALL TAXING**  
35 **JURISDICTIONS WITHIN THE SCHOOL DISTRICT ON A PRO RATA BASIS.**
- 36           (f) **FOR FISCAL YEAR 2015-2016 ONLY, ADD AN AMOUNT EQUAL TO TWO HUNDRED**  
37 **EIGHTY-EIGHT MILLION DOLLARS MULTIPLIED BY THE PERCENTAGE OF ALL STATEWIDE**  
38 **CLASS ONE PRIMARY AND SECONDARY PROPERTY TAX LEVIES FOR ALL TAXING**  
39 **JURISDICTIONS COMBINED THAT ARE LEVIED AGAINST CLASS ONE PROPERTIES LOCATED**  
40 **WITHIN THE SCHOOL DISTRICT. MONIES ALLOCATED TO A SCHOOL DISTRICT PURSUANT**  
41 **TO THIS SUBDIVISION SHALL BE REMITTED TO THE COUNTY TREASURER FOR USE IN**  
42 **REDUCING PROPERTY TAXES FOR PROPERTY CLASSES TWO THROUGH NINE FOR ALL TAXING**  
43 **JURISDICTIONS WITHIN THE SCHOOL DISTRICT ON A PRO RATA BASIS.**
- 44           (g) **FOR FISCAL YEAR 2016-2017 ONLY, ADD AN AMOUNT EQUAL TO FOUR**  
45 **HUNDRED THIRTY-TWO MILLION DOLLARS MULTIPLIED BY THE PERCENTAGE OF ALL**

1 STATEWIDE CLASS ONE PRIMARY AND SECONDARY PROPERTY TAX LEVIES FOR ALL TAXING  
2 JURISDICTIONS COMBINED THAT ARE LEVIED AGAINST CLASS ONE PROPERTIES LOCATED  
3 WITHIN THE SCHOOL DISTRICT. MONIES ALLOCATED TO A SCHOOL DISTRICT PURSUANT  
4 TO THIS SUBDIVISION SHALL BE REMITTED TO THE COUNTY TREASURER FOR USE IN  
5 REDUCING PROPERTY TAXES FOR PROPERTY CLASSES TWO THROUGH NINE FOR ALL TAXING  
6 JURISDICTIONS WITHIN THE SCHOOL DISTRICT ON A PRO RATA BASIS.

7 (h) FOR FISCAL YEAR 2017-2018 ONLY, ADD AN AMOUNT EQUAL TO FIVE  
8 HUNDRED SEVENTY-SIX MILLION DOLLARS MULTIPLIED BY THE PERCENTAGE OF ALL  
9 STATEWIDE CLASS ONE PRIMARY AND SECONDARY PROPERTY TAX LEVIES FOR ALL TAXING  
10 JURISDICTIONS COMBINED THAT ARE LEVIED AGAINST CLASS ONE PROPERTIES LOCATED  
11 WITHIN THE SCHOOL DISTRICT. MONIES ALLOCATED TO A SCHOOL DISTRICT PURSUANT  
12 TO THIS SUBDIVISION SHALL BE REMITTED TO THE COUNTY TREASURER FOR USE IN  
13 REDUCING PROPERTY TAXES FOR PROPERTY CLASSES TWO THROUGH NINE FOR ALL TAXING  
14 JURISDICTIONS WITHIN THE SCHOOL DISTRICT ON A PRO RATA BASIS.

15 (i) FOR FISCAL YEAR 2018-2019 ONLY, ADD AN AMOUNT EQUAL TO SEVEN  
16 HUNDRED TWENTY MILLION DOLLARS MULTIPLIED BY THE PERCENTAGE OF ALL STATEWIDE  
17 CLASS ONE PRIMARY AND SECONDARY PROPERTY TAX LEVIES FOR ALL TAXING  
18 JURISDICTIONS COMBINED THAT ARE LEVIED AGAINST CLASS ONE PROPERTIES LOCATED  
19 WITHIN THE SCHOOL DISTRICT. MONIES ALLOCATED TO A SCHOOL DISTRICT PURSUANT  
20 TO THIS SUBDIVISION SHALL BE REMITTED TO THE COUNTY TREASURER FOR USE IN  
21 REDUCING PROPERTY TAXES FOR PROPERTY CLASSES TWO THROUGH NINE FOR ALL TAXING  
22 JURISDICTIONS WITHIN THE SCHOOL DISTRICT ON A PRO RATA BASIS.

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

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

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

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

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

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

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

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

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

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

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

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

6 (e) FOR FISCAL YEAR 2014-2015 ONLY, ADD AN AMOUNT EQUAL TO ONE HUNDRED  
7 FORTY-FOUR MILLION DOLLARS MULTIPLIED BY THE PERCENTAGE OF ALL STATEWIDE  
8 CLASS ONE PRIMARY AND SECONDARY PROPERTY TAX LEVIES FOR ALL TAXING  
9 JURISDICTIONS COMBINED THAT ARE LEVIED AGAINST CLASS ONE PROPERTIES LOCATED  
10 WITHIN THE SCHOOL DISTRICT. MONIES ALLOCATED TO A SCHOOL DISTRICT PURSUANT  
11 TO THIS SUBDIVISION SHALL BE REMITTED TO THE COUNTY TREASURER FOR USE IN  
12 REDUCING PROPERTY TAXES FOR PROPERTY CLASSES TWO THROUGH NINE FOR ALL TAXING  
13 JURISDICTIONS WITHIN THE SCHOOL DISTRICT ON A PRO RATA BASIS.

14 (f) FOR FISCAL YEAR 2015-2016 ONLY, ADD AN AMOUNT EQUAL TO TWO HUNDRED  
15 EIGHTY-EIGHT MILLION DOLLARS MULTIPLIED BY THE PERCENTAGE OF ALL STATEWIDE  
16 CLASS ONE PRIMARY AND SECONDARY PROPERTY TAX LEVIES FOR ALL TAXING  
17 JURISDICTIONS COMBINED THAT ARE LEVIED AGAINST CLASS ONE PROPERTIES LOCATED  
18 WITHIN THE SCHOOL DISTRICT. MONIES ALLOCATED TO A SCHOOL DISTRICT PURSUANT  
19 TO THIS SUBDIVISION SHALL BE REMITTED TO THE COUNTY TREASURER FOR USE IN  
20 REDUCING PROPERTY TAXES FOR PROPERTY CLASSES TWO THROUGH NINE FOR ALL TAXING  
21 JURISDICTIONS WITHIN THE SCHOOL DISTRICT ON A PRO RATA BASIS.

22 (g) FOR FISCAL YEAR 2016-2017 ONLY, ADD AN AMOUNT EQUAL TO FOUR  
23 HUNDRED THIRTY-TWO MILLION DOLLARS MULTIPLIED BY THE PERCENTAGE OF ALL  
24 STATEWIDE CLASS ONE PRIMARY AND SECONDARY PROPERTY TAX LEVIES FOR ALL TAXING  
25 JURISDICTIONS COMBINED THAT ARE LEVIED AGAINST CLASS ONE PROPERTIES LOCATED  
26 WITHIN THE SCHOOL DISTRICT. MONIES ALLOCATED TO A SCHOOL DISTRICT PURSUANT  
27 TO THIS SUBDIVISION SHALL BE REMITTED TO THE COUNTY TREASURER FOR USE IN  
28 REDUCING PROPERTY TAXES FOR PROPERTY CLASSES TWO THROUGH NINE FOR ALL TAXING  
29 JURISDICTIONS WITHIN THE SCHOOL DISTRICT ON A PRO RATA BASIS.

30 (h) FOR FISCAL YEAR 2017-2018 ONLY, ADD AN AMOUNT EQUAL TO FIVE  
31 HUNDRED SEVENTY-SIX MILLION DOLLARS MULTIPLIED BY THE PERCENTAGE OF ALL  
32 STATEWIDE CLASS ONE PRIMARY AND SECONDARY PROPERTY TAX LEVIES FOR ALL TAXING  
33 JURISDICTIONS COMBINED THAT ARE LEVIED AGAINST CLASS ONE PROPERTIES 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 (i) FOR FISCAL YEAR 2018-2019 ONLY, ADD AN AMOUNT EQUAL TO SEVEN  
39 HUNDRED TWENTY 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 PROPERTIES 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 C. The clerk of the board of supervisors shall report to the  
2 department of revenue not later than the Friday following the third Monday in  
3 August of each year the amount by school district of additional state aid for  
4 education and the data used for computing the amount as provided in  
5 subsection B of this section. The department of revenue shall verify all of  
6 the amounts and report to the county board of supervisors not later than  
7 August 30 of each year the property tax rate or rates which shall be used for  
8 property tax reduction as provided in subsection E of this section.

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

22 1. Five hundred dollars through December 31, 2005.

23 2. Five hundred twenty dollars beginning from and after December 31,  
24 2005 through December 31, 2006.

25 3. Five hundred forty dollars beginning from and after December 31,  
26 2006 through December 31, 2007.

27 4. Five hundred sixty dollars beginning from and after December 31,  
28 2007 through December 31, 2008.

29 5. Five hundred eighty dollars beginning from and after December 31,  
30 2008 through December 31, 2009.

31 6. Six hundred dollars beginning from and after December 31, 2009.

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

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

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

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

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

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

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

31 1. Having only one class of outstanding stock.

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

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

42 J. The total amount of state monies that may be spent in any fiscal  
43 year for state aid for education in this section shall not exceed the amount  
44 appropriated or authorized by section 35-173 for that purpose. This section  
45 shall not be construed to impose a duty on an officer, agent or employee of

1 this state to discharge a responsibility or to create any right in a person  
2 or group if the discharge or right would require an expenditure of state  
3 monies in excess of the expenditure authorized by legislative appropriation  
4 for that specific purpose.

5 K. For the purposes of this section:

6 1. "Owner" includes any purchaser under a contract of sale or under a  
7 deed of trust.

8 2. "Residential property" includes owner occupied real property and  
9 improvements to the property and owner occupied mobile homes that are used as  
10 the owner's primary residence and classified as class three property pursuant  
11 to section 42-12003.

12 Sec. 3. Assessed valuation of class one property; temporary  
13 reduction; fiscal years 2014-2015 through 2018-2019

14 Notwithstanding section 42-15001, Arizona Revised Statutes, the  
15 assessed valuation of class one property described in section 42-12001,  
16 Arizona Revised Statutes, is the following percentage of its full cash value  
17 or limited valuation, as applicable:

- 18 1. For tax year 2014-2015, 17.6%.  
19 2. For tax year 2015-2016, 15.7%.  
20 3. For tax year 2016-2017, 13.8%.  
21 4. For tax year 2017-2018, 11.9%.  
22 5. For tax year 2018-2019, 10.0%.