

State of Arizona
Senate
Fifty-first Legislature
Second Regular Session
2014

SENATE BILL 1287

AN ACT

AMENDING SECTIONS 15-481 AND 15-491, ARIZONA REVISED STATUTES; RELATING TO SCHOOL DISTRICT ELECTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 15-481, Arizona Revised Statutes, is amended to
3 read:

4 15-481. Override election; budget increases; notice; ballot;
5 effect

6 A. If a proposed budget of a school district exceeds the aggregate
7 budget limit for the budget year, ~~at least ninety~~ NO LATER THAN ONE HUNDRED
8 TWENTY days before the proposed election the governing board shall order an
9 override election to be held on the first Tuesday following the first Monday
10 in November as prescribed by section 16-204, subsection B, paragraph 1,
11 subdivision (d) for the purpose of presenting the proposed budget to the
12 qualified electors of the school district who by a majority of those voting
13 either shall affirm or reject the budget. At the same time as the order of
14 the election, the governing board shall publicly declare the deadline for
15 submitting arguments, as set by the county school superintendent pursuant to
16 subsection B, paragraph 9 of this section, to be submitted in the
17 informational report and shall immediately post the deadline in a prominent
18 location on the district's website. In addition, the governing board shall
19 prepare an alternate budget that does not include an increase in the budget
20 of more than the amount permitted as provided in section 15-905. If the
21 qualified electors approve the proposed budget, the governing board of the
22 school district shall follow the procedures prescribed in section 15-905 for
23 adopting a budget that includes the authorized increase. If the qualified
24 electors disapprove the proposed budget, the governing board shall follow the
25 procedures prescribed in section 15-905 for adopting a budget that does not
26 include the proposed increase or the portion of the proposed increase that
27 exceeds the amount authorized by a previously approved budget increase as
28 prescribed in subsection P of this section.

29 B. The county school superintendent shall prepare an informational
30 report on the proposed increase in the budget and a sample ballot and, at
31 least forty days prior to the election, shall transmit the report and the
32 sample ballot to the governing board of the school district. The governing
33 board, upon receipt of the report and the ballot, shall mail or distribute
34 the report and the ballot to the households in which qualified electors
35 reside within the school district at least thirty-five days prior to the
36 election. Any distribution of material concerning the proposed increase in
37 the budget shall not be conducted by children enrolled in the school
38 district. The report shall contain the following information:

- 39 1. The date of the election.
- 40 2. The voter's polling place and the times it is open.
- 41 3. The proposed total increase in the budget that exceeds the amount
42 permitted pursuant to section 15-905.
- 43 4. The total amount of the current year's budget, the total amount of
44 the proposed budget and the total amount of the alternate budget.

1 5. If the override is for a period of more than one year, a statement
2 indicating the number of years the proposed increase in the budget would be
3 in effect and the percentage of the school district's revenue control limit
4 that the district is requesting for the future years.

5 6. The proposed total amount of revenues that will fund the increase
6 in the budget and the amount that will be obtained from a levy of taxes upon
7 the taxable property within the school district for the first year for which
8 the budget increase was adopted.

9 7. The proposed amount of revenues that will fund the increase in the
10 budget and that will be obtained from other than a levy of taxes upon the
11 taxable property within the school district for the first year for which the
12 budget increase was adopted.

13 8. The dollar amount and the purpose for which the proposed increase
14 in the budget is to be expended for the first year for which the budget
15 increase was adopted.

16 9. At least two arguments, if submitted, but no more than ten
17 arguments for and two arguments, if submitted, but no more than ten arguments
18 against the proposed increase in the budget. The arguments shall be in a
19 form prescribed by the county school superintendent, and each argument shall
20 not exceed two hundred words. Arguments for the proposed increase in the
21 budget shall be provided in writing and signed by the governing board. If
22 submitted, additional arguments in favor of the proposed increase in the
23 budget shall be provided in writing and signed by those in favor. Arguments
24 against the proposed increase in the budget shall be provided in writing and
25 signed by those in opposition. The names of persons and entities submitting
26 written arguments shall be included in the report. The county school
27 superintendent shall review all factual statements contained in the written
28 arguments and correct any inaccurate statements of fact. The superintendent
29 shall not review and correct any portion of the written arguments that are
30 identified as statements of the author's opinion. The county school
31 superintendent shall make the written arguments available to the public as
32 provided in title 39, chapter 1, article 2. A deadline for submitting
33 arguments to be included in the informational report shall be set by the
34 county school superintendent.

35 10. A statement that the alternate budget shall be adopted by the
36 governing board if the proposed budget is not adopted by the qualified
37 electors of the school district.

38 11. The current limited property value and the net assessed valuation
39 provided by the department of revenue, the first year tax rate for the
40 proposed override and the estimated amount of the secondary property taxes if
41 the proposed budget is adopted for each of the following:

42 (a) An owner-occupied residence whose assessed valuation is the
43 average assessed valuation of property classified as class three, as
44 prescribed by section 42-12003 for the current year in the school district.

1 (b) An owner-occupied residence whose assessed valuation is one-half
2 of the assessed valuation of the residence in subdivision (a) of this
3 paragraph.

4 (c) An owner-occupied residence whose assessed valuation is twice the
5 assessed valuation of the residence in subdivision (a) of this paragraph.

6 (d) A business whose assessed valuation is the average of the assessed
7 valuation of property classified as class one, as prescribed by section
8 42-12001, paragraphs 12 and 13 for the current year in the school district.

9 12. If the election is conducted pursuant to subsection L or M of this
10 section, the following information:

11 (a) An executive summary of the school district's most recent capital
12 improvement plan submitted to the school facilities board.

13 (b) A complete list of each proposed capital improvement that will be
14 funded with the budget increase and a description of the proposed cost of
15 each improvement, including a separate aggregation of capital improvements
16 for administrative purposes as defined by the school facilities board.

17 (c) The tax rate associated with each of the proposed capital
18 improvements and the estimated cost of each capital improvement for the owner
19 of a single family home that is valued at eighty thousand dollars.

20 C. For the purpose of this section, the school district may use its
21 staff, equipment, materials, buildings or other resources only to distribute
22 the informational report at the school district office or at public hearings
23 and to produce such information as required in subsection B of this section,
24 provided that nothing in this subsection shall preclude school districts from
25 holding or participating in any public hearings at which testimony is given
26 by at least one person for the proposed increase and one person against the
27 proposed increase. Any written information provided by the district
28 pertaining to the override election shall include financial information
29 showing the estimated first year tax rate for the proposed budget override
30 amount.

31 D. If any amount of the proposed increase will be funded by a levy of
32 taxes in the district, the election prescribed in subsection A of this
33 section shall be held on the first Tuesday following the first Monday in
34 November as prescribed by section 16-204, subsection B, paragraph 1,
35 subdivision (d). If the proposed increase will be fully funded by revenues
36 from other than a levy of taxes, the elections prescribed in subsection A of
37 this section shall be held on any date prescribed by section 16-204. The
38 elections shall be conducted as nearly as practicable in the manner
39 prescribed in article 1 of this chapter, sections 15-422 through 15-424 and
40 section 15-426, relating to special elections, except that:

41 1. The notices required pursuant to section 15-403 shall be posted not
42 less than twenty-five days before the election.

43 2. Ballots shall be counted pursuant to title 16, chapter 4,
44 article 10.

1 E. If the election is to exceed the revenue control limit and if the
2 proposed increase will be fully funded by a levy of taxes upon the taxable
3 property within the school district, the ballot shall contain the words
4 "budget increase, yes" and "budget increase, no", and the voter shall signify
5 his desired choice. The ballot shall also contain the amount of the proposed
6 increase of the proposed budget over the alternate budget, a statement that
7 the amount of the proposed increase will be based on a percentage of the
8 school district's revenue control limit in future years, if applicable, as
9 provided in subsection P of this section and the following statement:

10 Any budget increase authorized by this election shall be
11 entirely funded by a levy of taxes upon the taxable property
12 within this school district for the year for which adopted and
13 for ____ subsequent years, shall not be realized from monies
14 furnished by the state and shall not be subject to the
15 limitation on taxes specified in article IX, section 18,
16 Constitution of Arizona. Based on the current net assessed
17 valuation used for secondary property tax purposes, to fund the
18 proposed increase in the school district's budget would require
19 an estimated tax rate of _____ dollar per one hundred
20 dollars of net assessed valuation used for secondary property
21 tax purposes and is in addition to the school district's tax
22 rate which will be levied to fund the school district's revenue
23 control limit allowed by law.

24 F. If the election is to exceed the revenue control limit and if the
25 proposed increase will be fully funded by revenues from other than a levy of
26 taxes upon the taxable property within the school district, the ballot shall
27 contain the words "budget increase, yes" and "budget increase, no", and the
28 voter shall signify the voter's desired choice. The ballot shall also
29 contain:

30 1. The amount of the proposed increase of the proposed budget over the
31 alternate budget.

32 2. A statement that the amount of the proposed increase will be based
33 on a percentage of the school district's revenue control limit in future
34 years, if applicable, as provided in subsection P of this section.

35 3. The following statement:

36 Any budget increase authorized by this election shall be
37 entirely funded by this school district with revenues from other
38 than a levy of taxes on the taxable property within the school
39 district for the year for which adopted and for _____
40 subsequent years and shall not be realized from monies furnished
41 by the state.

42 G. Except as provided in subsection H of this section, the maximum
43 budget increase that may be requested and authorized as provided in
44 subsection E or F of this section or the combination of subsections E and F
45 of this section is fifteen per cent of the revenue control limit as provided

1 in section 15-947, subsection A for the budget year. If a school district
 2 requests an override pursuant to section 15-482 or to continue with a budget
 3 override pursuant to section 15-482 for pupils in kindergarten programs and
 4 grades one through three that was authorized before December 31, 2008, the
 5 maximum budget increase that may be requested and authorized as provided in
 6 subsection E or F of this section or the combination of subsections E and F
 7 of this section is ten per cent of the revenue control limit as provided in
 8 section 15-947, subsection A for the budget year.

9 H. Special budget override provisions for school districts with a
 10 student count of less than one hundred fifty-four in kindergarten programs
 11 and grades one through eight or with a student count of less than one hundred
 12 seventy-six in grades nine through twelve are as follows:

13 1. The maximum budget increase that may be requested and authorized as
 14 provided in subsections E and F of this section is the greater of the amount
 15 prescribed in subsection G of this section or a limit computed as follows:

16 (a) For common or unified districts with a student count of less than
 17 one hundred fifty-four in kindergarten programs and grades one through eight,
 18 the limit computed as prescribed in item (i) or (ii) of this subdivision,
 19 whichever is appropriate:

20 (i)

21	Small School	Support Level Weight		Phase Down
22	Student	Student	for Small Isolated	Reduction
23	<u>Count</u>	<u>Count Limit</u>	<u>School Districts</u>	<u>Factor</u>
24	_____ - 125	x	1.358 + (0.0005 x	x \$ _____ = \$ _____
25			(500 - Student Count))	
26				Small Isolated
27	Phase Down	Phase Down		School District
28	<u>Base</u>	<u>Reduction Factor</u>		<u>Elementary Limit</u>
29	\$150,000 -	\$ _____	=	\$ _____

30 (ii)

31	Small School	Support Level Weight		Phase Down
32	Student	Student	for Small	Reduction
33	<u>Count</u>	<u>Count Limit</u>	<u>School Districts</u>	<u>Factor</u>
34	_____ - 125	x	1.278 + (0.0003 x	x \$ _____ = \$ _____
35			(500 - Student Count))	
36				Small
37	Phase Down	Phase Down		School District
38	<u>Base</u>	<u>Reduction Factor</u>		<u>Elementary Limit</u>
39	\$150,000 -	\$ _____	=	\$ _____

40 (b) For unified or union high school districts with a student count of
 41 less than one hundred seventy-six in grades nine through twelve, the limit
 42 computed as prescribed in item (i) or (ii) of this subdivision, whichever is
 43 appropriate:

1 (i)

$$\begin{array}{r}
 2 \quad \text{Small School} \quad \text{Support Level Weight} \quad \text{Phase Down} \\
 3 \quad \text{Student} \quad \text{Student} \quad \text{for Small Isolated} \quad \text{Reduction} \\
 4 \quad \underline{\text{Count}} \quad \underline{\text{Count Limit}} \quad \underline{\text{School Districts}} \quad \underline{\text{Base Level}} \quad \underline{\text{Factor}} \\
 5 \quad \underline{\hspace{1cm}} - \underline{100} \times 1.468 + (0.0005 \times \hspace{1cm} \times \$ \underline{\hspace{1cm}} = \$ \underline{\hspace{1cm}} \\
 6 \quad \hspace{10em} (500 - \text{Student Count})) \\
 7 \quad \hspace{10em} \text{Small Isolated} \\
 8 \quad \text{Phase Down} \quad \text{Phase Down} \quad \text{District} \\
 9 \quad \underline{\text{Base}} \quad \underline{\text{Reduction Factor}} \quad \underline{\text{Secondary Limit}} \\
 10 \quad \$350,000 - \$ \underline{\hspace{1cm}} = \$ \underline{\hspace{1cm}}
 \end{array}$$

11 (ii)

$$\begin{array}{r}
 12 \quad \text{Small School} \quad \text{Support Level Weight} \quad \text{Phase Down} \\
 13 \quad \text{Student} \quad \text{Student} \quad \text{for Small} \quad \text{Reduction} \\
 14 \quad \underline{\text{Count}} \quad \underline{\text{Count Limit}} \quad \underline{\text{School Districts}} \quad \underline{\text{Base Level}} \quad \underline{\text{Factor}} \\
 15 \quad \underline{\hspace{1cm}} - \underline{100} \times 1.398 + (0.0004 \times \hspace{1cm} \times \$ \underline{\hspace{1cm}} = \$ \underline{\hspace{1cm}} \\
 16 \quad \hspace{10em} (500 - \text{Student Count})) \\
 17 \quad \hspace{10em} \text{Small} \\
 18 \quad \text{Phase Down} \quad \text{Phase Down} \quad \text{School District} \\
 19 \quad \underline{\text{Base}} \quad \underline{\text{Reduction Factor}} \quad \underline{\text{Secondary Limit}} \\
 20 \quad \$350,000 - \$ \underline{\hspace{1cm}} = \$ \underline{\hspace{1cm}}
 \end{array}$$

21 (c) If both subdivisions (a) and (b) of this paragraph apply to a
 22 unified school district, its limit for the purposes of this paragraph is the
 23 combination of its elementary limit and its secondary limit.

24 (d) If only subdivision (a) or (b) of this paragraph applies to a
 25 unified school district, the district's limit for the purposes of this
 26 paragraph is the sum of the limit computed as provided in subdivision (a) or
 27 (b) of this paragraph plus ten per cent of the revenue control limit
 28 attributable to those grade levels that do not meet the eligibility
 29 requirements of this subsection. If a school district budgets monies outside
 30 the revenue control limit pursuant to section 15-949, subsection E, the
 31 district's limit for the purposes of this paragraph is only the ten per cent
 32 of the revenue control limit attributable to those grade levels that are not
 33 included under section 15-949, subsection E. For the purposes of this
 34 subdivision, the revenue control limit is separated into elementary and
 35 secondary components based on the weighted student count as provided in
 36 section 15-971, subsection B, paragraph 2, subdivision (a).

37 2. If a school district utilizes this subsection to request an
 38 override of more than one year, the ballot shall include an estimate of the
 39 amount of the proposed increase in the future years in place of the statement
 40 that the amount of the proposed increase will be based on a percentage of the
 41 school district's revenue control limit in future years, as prescribed in
 42 subsections E and F of this section.

43 3. Notwithstanding subsection P of this section, the maximum period of
 44 an override authorized pursuant to this subsection is five years.

1 4. Subsection P, paragraphs 1 and 2 of this section do not apply to
2 overrides authorized pursuant to this subsection.

3 I. If the election is to exceed the revenue control limit as provided
4 in section 15-482 and if the proposed increase will be fully funded by a levy
5 of taxes on the taxable property within the school district, the ballot shall
6 contain the words "budget increase, yes" and "budget increase, no", and the
7 voter shall signify the voter's desired choice. The ballot shall also
8 contain the amount of the proposed increase of the budget over the alternate
9 budget, a statement that the amount of the proposed increase will be based on
10 a percentage of the school district's revenue control limit in future years,
11 if applicable, as provided in subsection Q of this section, and the following
12 statement:

13 Any budget increase authorized by this election shall be
14 entirely funded by a levy of taxes on the taxable property
15 within this school district for the year for which adopted and
16 for _____ subsequent years, shall not be realized from monies
17 furnished by the state and shall not be subject to the
18 limitation on taxes specified in article IX, section 18,
19 Constitution of Arizona. Based on the current net assessed
20 valuation used for secondary property tax purposes, to fund the
21 proposed increase in the school district's budget which will be
22 funded by a levy of taxes upon the taxable property within this
23 school district would require an estimated tax rate of
24 _____ dollar per one hundred dollars of net assessed
25 valuation used for secondary property tax purposes and is in
26 addition to the school district's tax rate that will be levied
27 to fund the school district's revenue control limit allowed by
28 law.

29 J. If the election is to exceed the revenue control limit as provided
30 in section 15-482 and if the proposed increase will be fully funded by
31 revenues other than a levy of taxes on the taxable property within the school
32 district, the ballot shall contain the words "budget increase, yes" and
33 "budget increase, no", and the voter shall signify the voter's desired
34 choice. The ballot shall also contain the amount of the proposed increase of
35 the proposed budget over the alternate budget, a statement that the amount of
36 the proposed increase will be based on a percentage of the school district's
37 revenue control limit in future years, if applicable, as provided in
38 subsection Q of this section and the following statement:

39 Any budget increase authorized by this election shall be
40 entirely funded by this school district with revenues from other
41 than a levy of taxes on the taxable property within the school
42 district for the year for which adopted and for _____ subsequent
43 years and shall not be realized from monies furnished by the
44 state.

1 K. The maximum budget increase that may be requested and authorized as
2 provided in subsection I or J of this section, or a combination of both of
3 these subsections, is five per cent of the revenue control limit as provided
4 in section 15-947, subsection A for the budget year. For a common school
5 district not within a high school district or a common school district within
6 a high school district that offers instruction in high school subjects as
7 provided in section 15-447, five per cent of the revenue control limit means
8 five per cent of the revenue control limit attributable to the weighted
9 student count in preschool programs for children with disabilities,
10 kindergarten programs and grades one through eight as provided in section
11 15-971, subsection B. For a unified school district, five per cent of the
12 revenue control limit means five per cent of the revenue control limit
13 attributable to the weighted student count in preschool programs for children
14 with disabilities, kindergarten programs and grades one through twelve. For
15 a union high school district, five per cent of the revenue control limit
16 means five per cent of the revenue control limit attributable to the weighted
17 student count in grades nine through twelve.

18 L. If the election is to exceed district additional assistance and if
19 the proposed increase will be fully funded by a levy of taxes upon the
20 taxable property within the school district, the ballot shall contain the
21 words "budget increase, yes" and "budget increase, no", and the voter shall
22 signify the voter's desired choice. An election held pursuant to this
23 subsection shall be held on the first Tuesday after the first Monday of
24 November. The ballot shall also contain the amount of the proposed increase
25 of the proposed budget over the alternate budget and the following statement:

26 Any budget increase authorized by this election shall be
27 entirely funded by a levy of taxes upon the taxable property
28 within this school district for the year in which adopted and
29 for _____ subsequent years, shall not be realized from monies
30 furnished by the state and shall not be subject to the
31 limitation on taxes specified in article IX, section 18,
32 Constitution of Arizona. Based on the current net assessed
33 valuation used for secondary property tax purposes, to fund the
34 proposed increase in the school district's budget would require
35 an estimated tax rate of _____ dollar per one hundred
36 dollars of net assessed valuation used for secondary property
37 tax purposes and is in addition to the school district's tax
38 rate which will be levied to fund the school district's district
39 additional assistance allowed by law.

40 M. If the election is to exceed district additional assistance and if
41 the proposed increase will be fully funded by revenues from other than a levy
42 of taxes upon the taxable property within the school district, the ballot
43 shall contain the words "budget increase, yes" and "budget increase, no", and
44 the voter shall signify the voter's desired choice. An election held
45 pursuant to this subsection shall be held on the first Tuesday after the

1 first Monday of November. The ballot shall also contain the amount of the
2 proposed increase of the proposed budget over the alternate budget and the
3 following statement:

4 Any budget increase authorized by this election shall be
5 entirely funded by this school district with revenues from other
6 than a levy of taxes on the taxable property within the school
7 district for the year in which adopted and for _____ subsequent
8 years and shall not be realized from monies furnished by the
9 state.

10 N. If the election is to exceed a combination of the revenue control
11 limit as provided in subsection E or F of this section, the revenue control
12 limit as provided in subsection I or J of this section or district additional
13 assistance as provided in subsection L or M of this section, the ballot shall
14 be prepared so that the voters may vote on each proposed increase separately
15 and shall contain statements required in the same manner as if each proposed
16 increase were submitted separately.

17 O. If the election provides for a levy of taxes on the taxable
18 property within the school district, at least thirty days prior to the
19 election, the department of revenue shall provide the school district
20 governing board and the county school superintendent with the current net
21 assessed valuation of the school district. The governing board and the
22 county school superintendent shall use the current net assessed valuation of
23 the school district to translate the amount of the proposed dollar increase
24 in the budget of the school district over that allowed by law into a tax rate
25 figure.

26 P. If the voters in a school district vote to adopt a budget in excess
27 of the revenue control limit as provided in subsection E or F of this
28 section, any additional increase shall be included in the aggregate budget
29 limit for each of the years authorized. Any additional increase shall be
30 excluded from the determination of equalization assistance. The school
31 district governing board, however, may levy on the net assessed valuation
32 used for secondary property tax purposes of the property in the school
33 district the additional increase if adopted under subsection E of this
34 section for the period of one year, two years or five through seven years as
35 authorized. If an additional increase is approved as provided in subsection
36 F of this section, the school district governing board may only use revenues
37 derived from the school district's prior year's maintenance and operation
38 fund ending cash balance to fund the additional increase. If a budget
39 increase was previously authorized and will be in effect for the budget year
40 or budget year and subsequent years, as provided in subsection E or F of this
41 section, the governing board may request a new budget increase as provided in
42 the same subsection under which the prior budget increase was adopted, which
43 shall not exceed the maximum amount permitted under subsection G of this
44 section. If the voters in the school district authorize the new budget
45 increase amount, the existing budget increase no longer is in effect. If the

1 voters in the school district do not authorize the budget increase amount,
2 the existing budget increase remains in effect for the time period for which
3 it was authorized. The maximum additional increase authorized as provided in
4 subsection E or F of this section and the additional increase that is
5 included in the aggregate budget limit is based on a percentage of a school
6 district's revenue control limit in future years, if the budget increase is
7 authorized for more than one year. If the additional increase:

8 1. Is for two years, the proposed increase in the second year is equal
9 to the initial proposed percentage increase.

10 2. Is for five years or more, the proposed increase is equal to the
11 initial proposed percentage increase in the following years of the proposed
12 increase, except that in the next to last year it is two-thirds of the
13 initial proposed percentage increase and it is one-third of the initial
14 proposed percentage increase in the last year of the proposed increase.

15 Q. If the voters in a school district vote to adopt a budget in excess
16 of the revenue control limit as provided in subsection I or J of this
17 section, any additional increase shall be included in the aggregate budget
18 limit for each of the years authorized. Any additional increase shall be
19 excluded from the determination of equalization assistance. The school
20 district governing board, however, may levy on the net assessed valuation
21 used for secondary property tax purposes of the property in the school
22 district the additional increase if adopted under subsection I of this
23 section for the period of one year, two years or five through seven years as
24 authorized. If an additional increase is approved as provided in subsection
25 J of this section, the increase may only be budgeted and expended if
26 sufficient monies are available in the maintenance and operation fund of the
27 school district. If a budget increase was previously authorized and will be
28 in effect for the budget year or budget year and subsequent years, as
29 provided in subsection I or J of this section, the governing board may
30 request a new budget increase as provided in the same subsection under which
31 the prior budget increase was adopted that does not exceed the maximum amount
32 permitted under subsection K of this section. If the voters in the school
33 district authorize the new budget increase amount, the existing budget
34 increase no longer is in effect. If the voters in the school district do not
35 authorize the budget increase amount, the existing budget increase remains in
36 effect for the time period for which it was authorized. The maximum
37 additional increase authorized as provided in subsection I or J of this
38 section and the additional increase that is included in the aggregate budget
39 limit is based on a percentage of a school district's revenue control limit
40 in future years, if the budget increase is authorized for more than one year.
41 If the additional increase:

42 1. Is for two years, the proposed increase in the second year is equal
43 to the initial proposed percentage increase.

44 2. Is for five years or more, the proposed increase is equal to the
45 initial proposed percentage increase in the following years of the proposed

1 increase, except that in the next to last year it is two-thirds of the
2 initial proposed percentage increase and it is one-third of the initial
3 proposed percentage increase in the last year of the proposed increase.

4 R. If the voters in a school district vote to adopt a budget in excess
5 of district additional assistance as provided in subsection L of this
6 section, any additional increase shall be included in the aggregate budget
7 limit for each of the years authorized. The additional increase shall be
8 excluded from the determination of equalization assistance. The school
9 district governing board, however, may levy on the net assessed valuation
10 used for secondary property tax purposes of the property in the school
11 district the additional increase for the period authorized but not to exceed
12 ten years. For overrides approved by a vote of the qualified electors of the
13 school district at an election held from and after October 31, 1998, the
14 period of the additional increase prescribed in this subsection shall not
15 exceed seven years for any capital override election.

16 S. If the voters in a school district vote to adopt a budget in excess
17 of district additional assistance as provided in subsection M of this
18 section, any additional increase shall be included in the aggregate budget
19 limit for each of the years authorized. The additional increase shall be
20 excluded from the determination of equalization assistance. The school
21 district governing board may only use revenues derived from the school
22 district's prior year's maintenance and operation fund ending cash balance
23 and capital outlay fund ending cash balance to fund the additional increase
24 for the period authorized but not to exceed ten years. For overrides
25 approved by a vote of the qualified electors of the school district at an
26 election held from and after October 31, 1998, the period of the additional
27 increase prescribed in this subsection shall not exceed seven years for any
28 capital override election.

29 T. In addition to subsections P and S of this section, from the
30 maintenance and operation fund and capital outlay fund ending cash balances,
31 the school district governing board shall first use any available revenues to
32 reduce its primary tax rate to zero and shall use any remaining revenues to
33 fund the additional increase authorized as provided in subsections F and M of
34 this section.

35 U. If the voters in a school district disapprove the proposed budget,
36 the alternate budget that, except for any budget increase authorized by a
37 prior election, does not include an increase in the budget in excess of the
38 amount provided in section 15-905 shall be adopted by the governing board as
39 provided in section 15-905.

40 V. The governing board may request that any override election be
41 cancelled if any change in chapter 9 of this title changes the amount of the
42 aggregate budget limit as provided in section 15-905. The request to cancel
43 the override election shall be made to the county school superintendent at
44 least eighty days prior to the date of the scheduled override election.

1 W. For any election conducted pursuant to subsection L or M of this
2 section:

3 1. The ballot shall include the following statement in addition to any
4 other statement required by this section:

5 The capital improvements that are proposed to be funded
6 through this override election are to exceed the state standards
7 and are in addition to monies provided by the state.

8 _____ school district is proposing to increase its
9 budget by \$_____ to fund capital improvements over and
10 above those funded by the state. Under the students first
11 capital funding system, _____ school district is entitled to
12 state monies for new construction and renovation of school
13 buildings in accordance with state law.

14 2. The ballot shall contain the words "budget increase, yes" and
15 "budget increase, no", and the voter shall signify the voter's desired
16 choice.

17 3. ~~At least eighty-five~~ NO LATER THAN ONE HUNDRED NINETEEN days before
18 the election, the school district shall submit proposed ballot language to
19 the director of the Arizona legislative council. The director of the Arizona
20 legislative council shall review the proposed ballot language to determine
21 whether the proposed ballot language complies with this section. If the
22 director of the Arizona legislative council determines that the proposed
23 ballot language does not comply with this section, the director, within ten
24 calendar days of the receipt of the proposed ballot language, shall notify
25 the school district of the director's objections and the school district
26 shall resubmit revised ballot language to the director for approval. IF THE
27 SCHOOL DISTRICT DOES NOT RECEIVE NOTIFICATION OF THE DIRECTOR'S OBJECTIONS
28 WITHIN TEN CALENDAR DAYS AFTER THE SUBMISSION OF THE PROPOSED BALLOT
29 LANGUAGE, THE PROPOSED BALLOT LANGUAGE IS DEEMED APPROVED BY THE DIRECTOR.
30 NO LATER THAN ONE HUNDRED FIVE DAYS BEFORE THE ELECTION, THE SCHOOL DISTRICT
31 SHALL SUBMIT TO THE COUNTY SCHOOL SUPERINTENDENT OR OTHER OFFICER IN CHARGE
32 OF ELECTIONS A COPY OF A LETTER APPROVING THE PROPOSED BALLOT LANGUAGE SIGNED
33 BY THE DIRECTOR OF THE ARIZONA LEGISLATIVE COUNCIL OR A LETTER SIGNED BY THE
34 SUPERINTENDENT OF THE SCHOOL DISTRICT THAT THE PROPOSED LANGUAGE HAS BEEN
35 DEEMED APPROVED BY THE DIRECTOR OF THE ARIZONA LEGISLATIVE COUNCIL. IF THE
36 COUNTY SCHOOL SUPERINTENDENT OR OTHER OFFICER IN CHARGE OF ELECTIONS DOES NOT
37 RECEIVE A COPY OF A LETTER THAT THE PROPOSED BALLOT LANGUAGE HAS BEEN
38 APPROVED OR BEEN DEEMED APPROVED BY THE DIRECTOR OF THE ARIZONA LEGISLATIVE
39 COUNCIL, THE COUNTY SCHOOL SUPERINTENDENT OR OTHER OFFICER IN CHARGE OF
40 ELECTIONS SHALL ENSURE THAT THE PROPOSED BALLOT LANGUAGE DOES NOT APPEAR ON
41 THE BALLOT FOR THAT ELECTION. IF THE QUALIFIED ELECTORS APPROVE A BUDGET
42 INCREASE PURSUANT TO THIS SUBSECTION THAT INCLUDED BALLOT LANGUAGE THAT WAS
43 NOT APPROVED OR NOT DEEMED APPROVED BY THE DIRECTOR OF THE ARIZONA
44 LEGISLATIVE COUNCIL, THE ELECTION OR PORTION OF THE ELECTION THAT APPROVED

1 THE BUDGET INCREASE IS INVALID AND THE ELECTION RESULTS OR THAT PORTION OF
2 THE ELECTION RESULTS IS VOID.

3 X. If the voters approve the budget increase pursuant to subsection L
4 or M of this section, the school district shall not use the override proceeds
5 for any purposes other than the proposed capital improvements listed in the
6 publicity pamphlet, except that up to ten per cent of the override proceeds
7 may be used for general capital expenses, including cost overruns of proposed
8 capital improvements.

9 Y. Each school district that currently increases its budget pursuant
10 to this section is required to hold a public meeting each year between
11 September 1 and October 31 at which an update of the programs or capital
12 improvements financed through the override is discussed and at which the
13 public is permitted an opportunity to comment and:

14 1. If the increase is pursuant to subsection L or M of this section,
15 at a minimum, the update shall include the progress of capital improvements
16 financed through the override, a comparison of the current status and the
17 original projections on the construction of capital improvements, the costs
18 of capital improvements and the costs of capital improvements in progress or
19 completed since the prior meeting and the future capital plans of the school
20 district. The school district shall include in the public meeting a
21 discussion of the school district's use of state capital aid and
22 voter-approved bonding in funding capital improvements, if any.

23 2. If the increase is pursuant to subsection E, F, I or J of this
24 section, the update shall include at a minimum the amount expended in the
25 previous fiscal year and the amount included in the current budget for each
26 of the purposes listed in the informational report prescribed by subsection B
27 of this section.

28 Z. If a budget in excess of district additional assistance was
29 previously adopted by the voters in a school district and will be in effect
30 for the budget year or budget year and subsequent years, as provided in
31 subsection L or M of this section, the governing board may request an
32 additional budget in excess of district additional assistance. If the voters
33 in a school district authorize the additional budget in excess of district
34 additional assistance, the existing district additional assistance budget
35 increase remains in effect.

36 AA. Notwithstanding any other law, the maximum budget increase that
37 may be authorized pursuant to subsection L or M of this section is ten per
38 cent of the school district's revenue control limit.

39 BB. If the election is to continue to exceed the revenue control limit
40 and if the proposed override will be fully funded by a continuation of a levy
41 of taxes on the taxable property in the school district, the ballot shall
42 contain the words "budget override continuation, yes" and "budget override
43 continuation, no", and the voter shall signify the voter's desired choice.
44 The ballot shall also contain the amount of the proposed continuation of the
45 budget increase of the proposed budget over the alternate budget, a statement

1 that the amount of the proposed increase will be based on a percentage of the
2 school district's revenue control limit in future years, if applicable, as
3 provided in subsection P of this section and the following statement:

4 Any budget increase continuation authorized by this
5 election shall be entirely funded by a levy of taxes on the
6 taxable property in this school district for the year for which
7 adopted and for ____ subsequent years, shall not be realized
8 from monies furnished by the state and shall not be subject to
9 the limitation on taxes specified in article IX, section 18,
10 Constitution of Arizona. Based on the current net assessed
11 valuation used for secondary property tax purposes, to fund the
12 proposed continuation of the increase in the school district's
13 budget would require an estimated continuation of a tax rate of
14 _____ dollar per one hundred dollars of assessed
15 valuation used for secondary property tax purposes and is in
16 addition to the school district's tax rate that will be levied
17 to fund the school district's revenue control limit allowed by
18 law.

19 CC. If the election is to continue to exceed the revenue control limit
20 as provided in section 15-482 and if the proposed override will be fully
21 funded by a continuation of a levy of taxes on the taxable property in the
22 school district, the ballot shall contain the words "budget override
23 continuation, yes" and "budget override continuation, no", and the voter
24 shall signify the voter's desired choice. The ballot shall also contain the
25 amount of the proposed continuation of the budget increase of the proposed
26 budget over the alternate budget, a statement that the amount of the proposed
27 increase will be based on a percentage of the school district's revenue
28 control limit in future years, if applicable, as provided in subsection P of
29 this section and the following statement:

30 Any budget increase continuation authorized by this
31 election shall be entirely funded by a levy of taxes on the
32 taxable property in this school district for the year for which
33 adopted and for ____ subsequent years, shall not be realized
34 from monies furnished by the state and shall not be subject to
35 the limitation on taxes specified in article IX, section 18,
36 Constitution of Arizona. Based on the current net assessed
37 valuation used for secondary property tax purposes, to fund the
38 proposed continuation of the increase in the school district's
39 budget would require an estimated continuation of a tax rate of
40 _____ dollar per one hundred dollars of net assessed
41 valuation used for secondary property tax purposes and is in
42 addition to the school district's tax rate that will be levied
43 to fund the school district's revenue control limit allowed by
44 law.

1 Sec. 2. Section 15-491, Arizona Revised Statutes, is amended to read:
2 15-491. Elections on school property: exceptions

3 A. The governing board of a school district may, and on petition of
4 fifteen per cent of the school electors as shown by the poll list at the last
5 preceding annual school election shall, call an election for the following
6 purposes:

7 1. To locate or change the location of school buildings.

8 2. To purchase or sell school sites or buildings or sell school sites
9 pursuant to section 15-342 or to build school buildings, but the
10 authorization by vote of the school district shall not necessarily specify
11 the site to be purchased.

12 3. To decide whether the bonds of the school district shall be issued
13 and sold for the purpose of raising money for purchasing or leasing school
14 lots, for building or renovating school buildings, for supplying school
15 buildings with furniture, equipment and technology, for improving school
16 grounds, for purchasing pupil transportation vehicles or for liquidating any
17 indebtedness already incurred for such purposes. Bonds issued for furniture,
18 equipment and technology, other than fixtures, shall mature no later than the
19 July 1 that follows the fifth year after the bonds were issued. A school
20 district shall not issue class B bonds until the school district has
21 obligated in contract the entire proceeds of any class A bonds issued by the
22 school district. The total amount of class A and class B bonds issued by a
23 school district shall not exceed the debt limitations prescribed in article
24 IX, sections 8 and 8.1, Constitution of Arizona.

25 4. To lease for ten or more years, as lessor or as lessee, school
26 buildings or grounds. Approval by a majority of the school district electors
27 voting authorizes the governing board to negotiate for and enter into a
28 lease. The ballot shall list the school buildings or grounds for which a
29 lease is sought. If the governing board does not enter into a lease of ten
30 or more years of the school buildings or grounds listed on the ballot within
31 ten years of the date of the election and the board continues to seek such a
32 lease, the governing board shall call a special election to reauthorize the
33 board to negotiate for and to enter into a lease of ten or more years.

34 5. To change the list of capital projects or the purposes authorized
35 by prior voter approval to issue bonds.

36 6. To extend from six to ten years the time period to issue class B
37 bonds authorized in 2009 or earlier. Elections pursuant to this paragraph
38 may not be held later than the sixth November after the election approving
39 the issuance of the bonds.

40 B. No petition shall be required for the holding of the first election
41 to be held in a joint common school district for any of the purposes
42 specified in subsection A of this section. The notice of election required
43 by section 15-492 shall be published in each of the counties that comprise
44 the joint common school district. The certification of election results

1 required by section 15-493 shall be made to the board of supervisors of the
2 jurisdictional county.

3 C. When the election is called to determine whether or not bonds of
4 the school district shall be issued and sold for the purposes enumerated in
5 the call for the election, the question shall be submitted to the vote of the
6 qualified electors of the school district as defined in section 15-401 and
7 subject to section 15-402.

8 D. The governing board shall order the election to be held in the
9 manner prescribed in title 35, chapter 3, article 3. If a petition for an
10 election has been filed with the governing board as provided in subsection A
11 of this section, the board shall act on the petition within sixty days by
12 ordering the election to be held as provided in this subsection. If a school
13 district bond election is scheduled for the same date a school district will
14 hold an override election, the governing body shall deliver a copy of the
15 notice of election and ballot to the county school superintendent who shall
16 include the notice of election and ballot with the information report and
17 ballot prepared for the override election. Mailing of the information
18 required for both the override and bond elections shall constitute compliance
19 with the notice provisions of this section.

20 E. The elections to be held pursuant to this section shall only be
21 held on dates prescribed by section 16-204, except that elections held
22 pursuant to this section to decide whether class B bonds shall be issued, or
23 any other obligation incurred that will require the assessment of secondary
24 property taxes, shall only be held on the first Tuesday after the first
25 Monday of November.

26 F. Subsection A, paragraph 2 of this section does not apply to the
27 sale of school property if the market value of the school property is less
28 than fifty thousand dollars.

29 G. Bond counsel fees, financial advisory fees, printing costs and
30 paying agent and registrar fees for bonds issued pursuant to an election
31 under this section shall be paid from either the amount authorized by the
32 qualified electors of the school district or current operating funds. Bond
33 election expenses shall be paid from current operating funds only.

34 H. For any election conducted to decide whether class B bonds will be
35 issued pursuant to this section:

36 1. Except as provided in paragraph 2 of this subsection, the ballot
37 shall include the following statement:

38 The capital improvements that are proposed to be funded
39 through this bond issuance are to exceed the state standards and
40 are in addition to monies provided by the state.

41 _____ school district is proposing to issue class B
42 general obligation bonds totaling \$_____ to fund capital
43 improvements over and above those funded by the state. Under
44 the students first capital funding system, _____ school

1 district is entitled to state monies for new construction and
2 renovation of school buildings in accordance with state law.

3 2. For a school district that is a joint technical education district,
4 the ballot shall include the following statement:

5 _____, a joint technical education district, is
6 proposing to issue class B general obligation bonds totaling
7 \$_____ to fund capital improvements at a campus owned or
8 operated and maintained by the joint technical education
9 district.

10 3. The ballot shall contain the words "bond approval, yes" and "bond
11 approval, no", and the voter shall signify the voter's desired choice.

12 4. The ballot shall also contain the phrase "the issuance of these
13 bonds will result in an annual levy of property taxes sufficient to pay the
14 debt on the bonds".

15 5. ~~At least eighty-five~~ NO LATER THAN ONE HUNDRED NINETEEN days before
16 the election, the school district shall submit proposed ballot language to
17 the director of the Arizona legislative council. The director of the Arizona
18 legislative council shall review the proposed ballot language to determine
19 whether the proposed ballot language complies with this section. If the
20 director of the Arizona legislative council determines that the proposed
21 ballot language does not comply with this section, the director, within ten
22 calendar days of the receipt of the proposed ballot language, shall notify
23 the school district of the director's objections and the school district
24 shall resubmit revised ballot language to the director for approval. IF THE
25 SCHOOL DISTRICT DOES NOT RECEIVE NOTIFICATION OF THE DIRECTOR'S OBJECTIONS
26 WITHIN TEN CALENDAR DAYS AFTER THE SUBMISSION OF THE PROPOSED BALLOT
27 LANGUAGE, THE PROPOSED BALLOT LANGUAGE IS DEEMED APPROVED BY THE DIRECTOR.
28 NO LATER THAN ONE HUNDRED FIVE DAYS BEFORE THE ELECTION, THE SCHOOL DISTRICT
29 SHALL SUBMIT TO THE COUNTY SCHOOL SUPERINTENDENT OR OTHER OFFICER IN CHARGE
30 OF ELECTIONS A COPY OF A LETTER APPROVING THE PROPOSED BALLOT LANGUAGE SIGNED
31 BY THE DIRECTOR OF THE ARIZONA LEGISLATIVE COUNCIL OR A LETTER SIGNED BY THE
32 SUPERINTENDENT OF THE SCHOOL DISTRICT THAT THE PROPOSED LANGUAGE HAS BEEN
33 DEEMED APPROVED BY THE DIRECTOR OF THE ARIZONA LEGISLATIVE COUNCIL. IF THE
34 COUNTY SCHOOL SUPERINTENDENT OR OTHER OFFICER IN CHARGE OF ELECTIONS DOES NOT
35 RECEIVE A COPY OF A LETTER THAT THE PROPOSED BALLOT LANGUAGE HAS BEEN
36 APPROVED OR BEEN DEEMED APPROVED BY THE DIRECTOR OF THE ARIZONA LEGISLATIVE
37 COUNCIL, THE COUNTY SCHOOL SUPERINTENDENT OR OTHER OFFICER IN CHARGE OF
38 ELECTIONS SHALL ENSURE THAT THE PROPOSED BALLOT LANGUAGE DOES NOT APPEAR ON
39 THE BALLOT FOR THAT ELECTION. IF THE QUALIFIED ELECTORS APPROVE A BOND
40 ISSUANCE PURSUANT TO THIS SUBSECTION THAT INCLUDED BALLOT LANGUAGE THAT WAS
41 NOT APPROVED OR NOT DEEMED APPROVED BY THE DIRECTOR OF THE ARIZONA
42 LEGISLATIVE COUNCIL, THE ELECTION OR PORTION OF THE ELECTION THAT APPROVED
43 THE BOND ISSUANCE IS INVALID AND THE ELECTION RESULTS OR THAT PORTION OF THE
44 ELECTION RESULTS IS VOID.

1 6. No later than thirty-five days before a class B bond election
2 conducted pursuant to this section, the school district shall mail a
3 publicity pamphlet to each household that contains a qualified elector in the
4 school district. The publicity pamphlet shall contain, at a minimum, the
5 following information:

6 (a) An executive summary of the school district's most recent capital
7 plan submitted to the school facilities board.

8 (b) A complete list of each proposed capital improvement that will be
9 funded with the proceeds of the bonds and a description of the proposed cost
10 of each improvement, including a separate aggregation of capital improvements
11 for administrative purposes as defined by the school facilities board.

12 (c) The tax rate associated with each of the proposed capital
13 improvements and the estimated cost of each capital improvement for the owner
14 of a single family home that is valued at one hundred thousand dollars.

15 I. For any election conducted to decide whether impact aid revenue
16 bonds shall be issued pursuant to this section:

17 1. The ballot shall include the following statement:

18 The capital improvements that are proposed to be funded
19 through this bond issuance are to exceed the state standards and
20 are in addition to monies provided by the state.

21 _____ school district is proposing to issue impact
22 aid revenue bonds totaling \$_____ to fund capital
23 improvements over and above those funded by the state. Under
24 the students first capital funding system, _____ school
25 district is entitled to state monies for new construction and
26 renovation of school buildings in accordance with state law.

27 2. The ballot shall contain the words "bond approval, yes" and "bond
28 approval, no", and the voter shall signify the voter's desired choice.

29 3. ~~At least eighty-five~~ **NO LATER THAN ONE HUNDRED NINETEEN** days before
30 the election, the school district shall submit proposed ballot language to
31 the director of the **ARIZONA** legislative council. The director of the **ARIZONA**
32 legislative council shall review the proposed ballot language to determine
33 whether the proposed ballot language complies with this section. If the
34 director of the **ARIZONA** legislative council determines that the proposed
35 ballot language does not comply with this section, the director, within ten
36 calendar days of the receipt of the proposed ballot language, shall notify
37 the school district of the director's objections and the school district
38 shall resubmit revised ballot language to the director for approval. **IF THE**
39 **SCHOOL DISTRICT DOES NOT RECEIVE NOTIFICATION OF THE DIRECTOR'S OBJECTIONS**
40 **WITHIN TEN CALENDAR DAYS AFTER THE SUBMISSION OF THE PROPOSED BALLOT**
41 **LANGUAGE, THE PROPOSED BALLOT LANGUAGE IS DEEMED APPROVED BY THE**
42 **DIRECTOR. NO LATER THAN ONE HUNDRED FIVE DAYS BEFORE THE ELECTION, THE**
43 **SCHOOL DISTRICT SHALL SUBMIT TO THE COUNTY SCHOOL SUPERINTENDENT OR OTHER**
44 **OFFICER IN CHARGE OF ELECTIONS A COPY OF A LETTER APPROVING THE PROPOSED**
45 **BALLOT LANGUAGE SIGNED BY THE DIRECTOR OF THE ARIZONA LEGISLATIVE COUNCIL OR**

1 A LETTER SIGNED BY THE SUPERINTENDENT OF THE SCHOOL DISTRICT THAT THE
2 PROPOSED LANGUAGE HAS BEEN DEEMED APPROVED BY THE DIRECTOR OF THE ARIZONA
3 LEGISLATIVE COUNCIL. IF THE COUNTY SCHOOL SUPERINTENDENT OR OTHER OFFICER IN
4 CHARGE OF ELECTIONS DOES NOT RECEIVE A COPY OF A LETTER THAT THE PROPOSED
5 BALLOT LANGUAGE HAS BEEN APPROVED OR BEEN DEEMED APPROVED BY THE DIRECTOR OF
6 THE ARIZONA LEGISLATIVE COUNCIL, THE COUNTY SCHOOL SUPERINTENDENT OR OTHER
7 OFFICER IN CHARGE OF ELECTIONS SHALL ENSURE THAT THE PROPOSED BALLOT LANGUAGE
8 DOES NOT APPEAR ON THE BALLOT FOR THAT ELECTION. IF THE QUALIFIED ELECTORS
9 APPROVE A BOND ISSUANCE PURSUANT TO THIS SUBSECTION THAT INCLUDED BALLOT
10 LANGUAGE THAT WAS NOT APPROVED OR NOT DEEMED APPROVED BY THE DIRECTOR OF THE
11 ARIZONA LEGISLATIVE COUNCIL, THE ELECTION OR PORTION OF THE ELECTION THAT
12 APPROVED THE BOND ISSUANCE IS INVALID AND THE ELECTION RESULTS OR THAT
13 PORTION OF THE ELECTION RESULTS IS VOID.

14 4. No later than thirty-five days before an impact aid revenue bond
15 election conducted pursuant to this section, the school district shall mail a
16 publicity pamphlet to each household that contains a qualified elector in the
17 school district. The publicity pamphlet shall contain, at a minimum, the
18 following information:

19 (a) The date of the election.

20 (b) The voter's polling place and the times it is open.

21 (c) An executive summary of the school district's most recent capital
22 plan submitted to the school facilities board.

23 (d) A complete list of each proposed capital improvement that will be
24 funded with the proceeds of the bonds and a description of the proposed cost
25 of each improvement, including a separate aggregation of capital improvements
26 for administrative purposes as defined by the school facilities board.

27 (e) A statement that impact aid revenue bonds will be fully funded by
28 aid that the school district receives from the federal government and do not
29 require a levy of taxes in the district.

30 (f) A statement that if the bonds are approved, the first priority for
31 the impact aid will be to pay the debt service for the bonds and that other
32 uses of the monies are prohibited until the debt service obligation is met.

33 (g) A statement that if the impact aid revenue bonds are approved, the
34 school district shall not issue or sell class B bonds while the district has
35 existing indebtedness from impact aid revenue bonds, except for bonds issued
36 to refund any bonds issued by the board.

37 J. If the voters approve the issuance of school district class B bonds
38 or impact aid revenue bonds, the school district shall not use the bond
39 proceeds for any purposes other than the proposed capital improvements listed
40 in the publicity pamphlet, except that up to ten per cent of the bond
41 proceeds may be used for general capital expenses, including cost overruns of
42 proposed capital improvements. The proposed capital improvements may be
43 changed by a subsequent election as provided by this section.

44 K. Each school district that issues bonds under this section is
45 required to hold a public meeting each year between September 1 and October

1 31, until the bond proceeds are spent, at which an update of the progress of
2 capital improvements financed through bonding is discussed and at which the
3 public is permitted an opportunity to comment. At a minimum, the update
4 shall include a comparison of the current status and the original projections
5 on the construction of capital improvements, the costs of capital
6 improvements and the costs of capital improvements in progress or completed
7 since the prior meeting and the future capital bonding plans of the school
8 district. The school district shall include in the public meeting a
9 discussion of the school district's use of state capital aid and
10 voter-approved capital overrides in funding capital improvements, if any.

11 L. If an election is held to change the purpose or list of capital
12 projects authorized by prior voter approval to issue bonds pursuant to
13 subsection A, paragraph 5 of this section, the following requirements apply:

14 1. The election may be held only on the first Tuesday after the first
15 Monday in November.

16 2. No later than thirty-five days before the election, the school
17 district shall mail a publicity pamphlet to each household in the school
18 district that contains a qualified elector. The publicity pamphlet shall
19 contain, at a minimum, the following information:

20 (a) The date of the election.

21 (b) The voter's polling place and the times it is open.

22 (c) A statement as to why the election was called.

23 (d) A complete list of each proposed capital improvement that is in
24 addition to the initial capital improvements presented in the publicity
25 pamphlet when the bonds were approved and the proposed cost of each
26 improvement, including a separate aggregation of capital improvements for
27 administrative purposes as defined by the school facilities board.

28 (e) A complete list of each capital improvement that was presented in
29 the publicity pamphlet when the bonds were initially approved and that is
30 proposed to be eliminated or to have its cost reduced, and the proposed cost
31 of each improvement, including a separate aggregation of capital improvements
32 for administrative purposes as defined by the school facilities board.

33 (f) Arguments for and against the proposed change, if submitted, as
34 provided by section 15-481, subsection B, paragraph 9.

35 3. The ballot shall contain the words "change capital improvements,
36 yes" and "change capital improvements, no", and the voter shall signify the
37 voter's desired choice.

38 4. If the election is to add a purpose that was not on the initial
39 ballot, the ballot shall list the purpose that is proposed to be added.

40 M. If an election is held to extend the time to issue bonds pursuant
41 to subsection A, paragraph 6 of this section, the following requirements
42 apply:

43 1. The election may be held only on the first Tuesday after the first
44 Monday in November.

1 2. No later than thirty-five days before the election, the school
2 district shall mail a publicity pamphlet to each household in the school
3 district that contains a qualified elector. The publicity pamphlet shall
4 contain, at a minimum, the following information:
5 (a) The date of the election.
6 (b) The voter's polling place and the times it is open.
7 (c) A statement as to why the election was called.
8 (d) Arguments for and against the proposed change, if submitted, as
9 provided in section 15-481, subsection B, paragraph 9.
10 3. The ballot shall contain the words "extend time to issue bonds,
11 yes" and "extend time to issue bonds, no", and the voter shall signify the
12 voter's desired choice.