

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

SENATE BILL 1293

AN ACT

AMENDING TITLE 9, CHAPTER 7, ARTICLE 3, ARIZONA REVISED STATUTES, BY ADDING SECTION 9-826; AMENDING TITLE 11, CHAPTER 2, ARTICLE 4, ARIZONA REVISED STATUTES, BY ADDING SECTION 11-269.12; AMENDING SECTIONS 15-481, 15-491, 19-123, 35-454 AND 42-6006, ARIZONA REVISED STATUTES; CHANGING THE DESIGNATION OF TITLE 48, CHAPTER 1, ARTICLE 9, ARIZONA REVISED STATUTES, TO "FINANCIAL REPORTING AND BONDING ELECTION REQUIREMENTS"; AMENDING TITLE 48, CHAPTER 1, ARTICLE 9, ARIZONA REVISED STATUTES, BY ADDING SECTION 48-254; RELATING TO PUBLICITY PAMPHLETS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 9, chapter 7, article 3, Arizona Revised Statutes, is
3 amended by adding section 9-826, to read:

4 9-826. Publicity pamphlet: state preemption: bond and tax
5 measures

6 A. THE LEGISLATURE FINDS AND DETERMINES THAT FOR THE PURPOSES OF
7 INCREASING VOTER KNOWLEDGE AND GOVERNMENT TRANSPARENCY IT IS A MATTER OF
8 STATEWIDE CONCERN THAT ALL MUNICIPALITIES FULLY INFORM VOTERS OF THE EFFECTS
9 OF ANY VOTE TO APPROVE A BOND, SALES TAX OR PROPERTY TAX MEASURE AND,
10 THEREFORE, THE LEGISLATURE FINDS AND DECLARES THAT THE PUBLICITY PAMPHLET
11 FORMAT FOR THESE MEASURES IS OF STATEWIDE CONCERN. THIS SECTION PREEMPTS ALL
12 LOCAL LAWS, ORDINANCES AND CHARTER PROVISIONS TO THE CONTRARY.

13 B. NOTWITHSTANDING ANY OTHER LAW, FOR ANY MUNICIPAL ELECTION TO
14 APPROVE A BOND, SALES TAX OR PROPERTY TAX MEASURE, THE FOLLOWING APPLY TO THE
15 PUBLICITY PAMPHLET FOR THAT ELECTION:

16 1. FOR A BOND APPROVAL, THE PUBLICITY PAMPHLET MUST INCLUDE THE
17 INFORMATION REQUIRED BY SECTION 35-454.

18 2. FOR A SALES TAX LEVY, THE PUBLICITY PAMPHLET MUST STATE THE AMOUNT
19 OF THE TAX INCREASE.

20 3. FOR A PROPERTY TAX LEVY, THE PUBLICITY PAMPHLET MUST ESTIMATE THE
21 TAX FOR AN OWNER-OCCUPIED RESIDENCE CLASSIFIED AS CLASS THREE PURSUANT TO
22 SECTION 42-12003, A SINGLE-FAMILY RESIDENCE CLASSIFIED AS CLASS FOUR PURSUANT
23 TO SECTION 42-12004, A COMMERCIAL PROPERTY CLASSIFIED AS CLASS ONE PURSUANT
24 TO SECTION 42-12001, PARAGRAPH 12 AND AN AGRICULTURAL OR OTHER VACANT
25 PROPERTY CLASSIFIED AS CLASS TWO PURSUANT TO SECTION 42-12002, AS FOLLOWS:

26 THE ESTIMATED TAX ON AN OWNER-OCCUPIED RESIDENCE VALUED BY
27 THE COUNTY ASSESSOR AT \$100,000 IS ESTIMATED TO BE \$____.

28 THE ESTIMATED TAX IMPACT ON A SINGLE-FAMILY RENTAL
29 RESIDENCE VALUED BY THE COUNTY ASSESSOR AT \$100,000 IS ESTIMATED
30 TO BE \$____.

31 THE ESTIMATED TAX ON COMMERCIAL PROPERTY VALUED BY THE
32 COUNTY ASSESSOR AT \$500,000 IS ESTIMATED TO BE \$____.

33 THE ESTIMATED TAX ON AGRICULTURAL OR OTHER VACANT PROPERTY
34 VALUED BY THE COUNTY ASSESSOR AT \$100,000 IS ESTIMATED TO BE
35 \$____.

36 Sec. 2. Title 11, chapter 2, article 4, Arizona Revised Statutes, is
37 amended by adding section 11-269.12, to read:

38 11-269.12. Publicity pamphlets: state preemption: bond and tax
39 measures

40 A. THE LEGISLATURE FINDS AND DETERMINES THAT FOR THE PURPOSES OF
41 INCREASING VOTER KNOWLEDGE AND GOVERNMENT TRANSPARENCY IT IS A MATTER OF
42 STATEWIDE CONCERN THAT ALL COUNTIES FULLY INFORM VOTERS OF THE EFFECTS OF ANY
43 VOTE TO APPROVE A BOND, SALES TAX OR PROPERTY TAX MEASURE AND, THEREFORE, THE
44 LEGISLATURE FINDS AND DECLARES THAT THE PUBLICITY PAMPHLET FORMAT FOR THESE

1 MEASURES IS OF STATEWIDE CONCERN. THIS SECTION PREEMPTS ALL LOCAL LAWS AND
2 ORDINANCES TO THE CONTRARY.

3 B. NOTWITHSTANDING ANY OTHER LAW, FOR ANY COUNTY ELECTION TO APPROVE A
4 BOND, SALES TAX OR PROPERTY TAX MEASURE, THE FOLLOWING APPLY TO THE PUBLICITY
5 PAMPHLET FOR THAT ELECTION:

6 1. FOR A BOND APPROVAL, THE PUBLICITY PAMPHLET MUST INCLUDE THE
7 INFORMATION REQUIRED BY SECTION 35-454.

8 2. FOR A SALES TAX LEVY, THE PUBLICITY PAMPHLET MUST STATE THE AMOUNT
9 OF THE TAX INCREASE.

10 3. FOR A PROPERTY TAX LEVY, THE PUBLICITY PAMPHLET MUST ESTIMATE THE
11 TAX FOR AN OWNER-OCCUPIED RESIDENCE CLASSIFIED AS CLASS THREE PURSUANT TO
12 SECTION 42-12003, A SINGLE-FAMILY RESIDENCE CLASSIFIED AS CLASS FOUR PURSUANT
13 TO SECTION 42-12004, A COMMERCIAL PROPERTY CLASSIFIED AS CLASS ONE PURSUANT
14 TO SECTION 42-12001, PARAGRAPH 12 AND AN AGRICULTURAL OR OTHER VACANT
15 PROPERTY CLASSIFIED AS CLASS TWO PURSUANT TO SECTION 42-12002, AS FOLLOWS:

16 THE ESTIMATED TAX ON AN OWNER-OCCUPIED RESIDENCE VALUED BY
17 THE COUNTY ASSESSOR AT \$100,000 IS ESTIMATED TO BE \$____.

18 THE ESTIMATED TAX IMPACT ON A SINGLE-FAMILY RENTAL
19 RESIDENCE VALUED BY THE COUNTY ASSESSOR AT \$100,000 IS ESTIMATED
20 TO BE \$____.

21 THE ESTIMATED TAX ON COMMERCIAL PROPERTY VALUED BY THE
22 COUNTY ASSESSOR AT \$500,000 IS ESTIMATED TO BE \$____.

23 THE ESTIMATED TAX ON AGRICULTURAL OR OTHER VACANT PROPERTY
24 VALUED BY THE COUNTY ASSESSOR AT \$100,000 IS ESTIMATED TO BE
25 \$____.

26 Sec. 3. Section 15-481, Arizona Revised Statutes, is amended to read:

27 15-481. Override election; budget increases; notice; ballot;
28 effect

29 A. If a proposed budget of a school district exceeds the aggregate
30 budget limit for the budget year, at least ninety days before the proposed
31 election the governing board shall order an override election to be held on
32 the first Tuesday following the first Monday in November as prescribed by
33 section 16-204, subsection B, paragraph 1, subdivision (d) for the purpose of
34 presenting the proposed budget to the qualified electors of the school
35 district who by a majority of those voting either shall affirm or reject the
36 budget. At the same time as the order of the election, the governing board
37 shall publicly declare the deadline for submitting arguments, as set by the
38 county school superintendent pursuant to subsection B, paragraph 9 of this
39 section, to be submitted in the informational report and shall immediately
40 post the deadline in a prominent location on the district's website. In
41 addition, the governing board shall prepare an alternate budget that does not
42 include an increase in the budget of more than the amount permitted as
43 provided in section 15-905. If the qualified electors approve the proposed
44 budget, the governing board of the school district shall follow the
45 procedures prescribed in section 15-905 for adopting a budget that includes

1 the authorized increase. If the qualified electors disapprove the proposed
2 budget, the governing board shall follow the procedures prescribed in section
3 15-905 for adopting a budget that does not include the proposed increase or
4 the portion of the proposed increase that exceeds the amount authorized by a
5 previously approved budget increase as prescribed in subsection P of this
6 section.

7 B. The county school superintendent shall prepare an informational
8 report on the proposed increase in the budget and a sample ballot and, at
9 least forty days prior to the election, shall transmit the report and the
10 sample ballot to the governing board of the school district. The governing
11 board, upon receipt of the report and the ballot, shall mail or distribute
12 the report and the ballot to the households in which qualified electors
13 reside within the school district at least thirty-five days prior to the
14 election. Any distribution of material concerning the proposed increase in
15 the budget shall not be conducted by children enrolled in the school
16 district. The report shall contain the following information:

17 1. The date of the election.
18 2. The voter's polling place and the times it is open.
19 3. The proposed total increase in the budget that exceeds the amount
20 permitted pursuant to section 15-905.

21 4. The total amount of the current year's budget, the total amount of
22 the proposed budget and the total amount of the alternate budget.

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

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

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

35 8. The dollar amount and the purpose for which the proposed increase
36 in the budget is to be expended for the first year for which the budget
37 increase was adopted.

38 9. At least two arguments, if submitted, but no more than ten
39 arguments for and two arguments, if submitted, but no more than ten arguments
40 against the proposed increase in the budget. The arguments shall be in a
41 form prescribed by the county school superintendent, and each argument shall
42 not exceed two hundred words. Arguments for the proposed increase in the
43 budget shall be provided in writing and signed by the governing board. If
44 submitted, additional arguments in favor of the proposed increase in the
45 budget shall be provided in writing and signed by those in favor. Arguments

1 against the proposed increase in the budget shall be provided in writing and
2 signed by those in opposition. The names of persons and entities submitting
3 written arguments shall be included in the report. The county school
4 superintendent shall review all factual statements contained in the written
5 arguments and correct any inaccurate statements of fact. The superintendent
6 shall not review and correct any portion of the written arguments that are
7 identified as statements of the author's opinion. The county school
8 superintendent shall make the written arguments available to the public as
9 provided in title 39, chapter 1, article 2. A deadline for submitting
10 arguments to be included in the informational report shall be set by the
11 county school superintendent.

12 10. A statement that the alternate budget shall be adopted by the
13 governing board if the proposed budget is not adopted by the qualified
14 electors of the school district.

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

19 (a) ~~An owner-occupied~~ A SINGLE-FAMILY residence ~~whose assessed~~
20 ~~valuation is the average assessed valuation of property~~ classified as class
21 three, as prescribed by section 42-12003 OR AS CLASS FOUR, AS PRESCRIBED BY
22 SECTION 42-12004 THAT IS VALUED AT ONE HUNDRED THOUSAND DOLLARS for the
23 current year in the school district.

24 ~~(b) An owner-occupied residence whose assessed valuation is one-half~~
25 ~~of the assessed valuation of the residence in subdivision (a) of this~~
26 ~~paragraph.~~

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

29 ~~(d) (b) A business whose assessed valuation is the average of the~~
30 ~~assessed valuation of~~ COMMERCIAL property classified as class one, as
31 prescribed by section 42-12001, paragraphs 12 and 13 THAT IS VALUED AT FIVE
32 HUNDRED THOUSAND DOLLARS for the current year in the school district.

33 (c) VACANT PROPERTY CLASSIFIED AS CLASS TWO, AS PRESCRIBED BY SECTION
34 42-12002 THAT IS VALUED AT ONE HUNDRED THOUSAND DOLLARS FOR THE CURRENT YEAR
35 IN THE SCHOOL DISTRICT.

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

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

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

1 (c) The tax rate associated with each of the proposed capital
2 improvements and the estimated cost of each capital improvement for the owner
3 of ~~a single family home that is valued at eighty thousand dollars.~~ THE
4 FOLLOWING:

5 (i) A SINGLE-FAMILY RESIDENCE CLASSIFIED AS CLASS THREE, AS PRESCRIBED
6 BY SECTION 42-12003 OR AS CLASS FOUR, AS PRESCRIBED BY SECTION 42-12004 THAT
7 IS VALUED AT ONE HUNDRED THOUSAND DOLLARS FOR THE CURRENT YEAR IN THE SCHOOL
8 DISTRICT.

9 (ii) COMMERCIAL PROPERTY CLASSIFIED AS CLASS ONE, AS PRESCRIBED BY
10 SECTION 42-12001 THAT IS VALUED AT FIVE HUNDRED THOUSAND DOLLARS FOR THE
11 CURRENT YEAR IN THE SCHOOL DISTRICT.

12 (iii) VACANT PROPERTY CLASSIFIED AS CLASS TWO, AS PRESCRIBED BY
13 SECTION 42-12002 THAT IS VALUED AT ONE HUNDRED THOUSAND DOLLARS FOR THE
14 CURRENT YEAR IN THE SCHOOL DISTRICT.

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

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

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

38 2. Ballots shall be counted pursuant to title 16, chapter 4,
39 article 10.

40 E. If the election is to exceed the revenue control limit and if the
41 proposed increase will be fully funded by a levy of taxes upon the taxable
42 property within the school district, the ballot shall contain the words
43 "budget increase, yes" and "budget increase, no", and the voter shall signify
44 his desired choice. The ballot shall also contain the amount of the proposed
45 increase of the proposed budget over the alternate budget, a statement that

1 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 authorized by this election shall be
5 entirely funded by a levy of taxes upon the taxable property
6 within this school district for the year for which adopted and
7 for ____ subsequent years, shall not be realized from monies
8 furnished by the state and shall not be subject to the
9 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 increase in the school district's budget would require
13 an estimated tax rate of _____ dollar per one hundred
14 dollars of net assessed valuation used for secondary property
15 tax purposes and is in addition to the school district's tax
16 rate which will be levied to fund the school district's revenue
17 control limit allowed by law.

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

24 1. The amount of the proposed increase of the proposed budget over the
25 alternate budget.

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

29 3. The following statement:

30 Any budget increase authorized by this election shall be
31 entirely funded by this school district with revenues from other
32 than a levy of taxes on the taxable property within the school
33 district for the year for which adopted and for ____
34 subsequent years and shall not be realized from monies furnished
35 by the state.

36 G. Except as provided in subsection H of this section, the maximum
37 budget increase that may be requested and authorized as provided in
38 subsection E or F of this section or the combination of subsections E and F
39 of this section is fifteen per cent of the revenue control limit as provided
40 in section 15-947, subsection A for the budget year. If a school district
41 requests an override pursuant to section 15-482 or to continue with a budget
42 override pursuant to section 15-482 for pupils in kindergarten programs and
43 grades one through three that was authorized before December 31, 2008, the
44 maximum budget increase that may be requested and authorized as provided in
45 subsection E or F of this section or the combination of subsections E and F

of this section is ten per cent of the revenue control limit as provided in section 15-947, subsection A for the budget year.

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

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

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

(i)

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

(ii)

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

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

(i)

Student	Small School	Support Level Weight		Phase Down
Count	Student	for Small Isolated		Reduction
<u>Count</u>	<u>Count Limit</u>	<u>School Districts</u>	<u>Base Level</u>	<u>Factor</u>
_____	- 100	x 1.468 + (0.0005 x	x \$ _____	= \$ _____
		(500 - Student Count))		

1					Small Isolated
2		Phase Down	Phase Down		District
3		<u>Base</u>	<u>Reduction Factor</u>		<u>Secondary Limit</u>
4		\$350,000	- \$	= \$	
5	(ii)				
6		Small School	Support Level Weight		Phase Down
7	Student	Student	for Small		Reduction
8	<u>Count</u>	<u>Count Limit</u>	<u>School Districts</u>	<u>Base Level</u>	<u>Factor</u>
9	-	100	x 1.398 + (0.0004 x	x \$	= \$
10			(500 - Student Count))		
11					Small
12		Phase Down	Phase Down		School District
13		<u>Base</u>	<u>Reduction Factor</u>		<u>Secondary Limit</u>
14		\$350,000	- \$	= \$	

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

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

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

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

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

I. If the election is to exceed the revenue control limit as provided in section 15-482 and if the proposed increase will be fully funded by a levy of taxes on the taxable property within the school district, the ballot shall contain the words "budget increase, yes" and "budget increase, no", and the voter shall signify the voter's desired choice. The ballot shall also

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

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

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

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

38 K. The maximum budget increase that may be requested and authorized as
39 provided in subsection I or J of this section, or a combination of both of
40 these subsections, is five per cent of the revenue control limit as provided
41 in section 15-947, subsection A for the budget year. For a common school
42 district not within a high school district or a common school district within
43 a high school district that offers instruction in high school subjects as
44 provided in section 15-447, five per cent of the revenue control limit means
45 five per cent of the revenue control limit attributable to the weighted

1 student count in preschool programs for children with disabilities,
2 kindergarten programs and grades one through eight as provided in section
3 15-971, subsection B. For a unified school district, five per cent of the
4 revenue control limit means five per cent of the revenue control limit
5 attributable to the weighted student count in preschool programs for children
6 with disabilities, kindergarten programs and grades one through twelve. For
7 a union high school district, five per cent of the revenue control limit
8 means five per cent of the revenue control limit attributable to the weighted
9 student count in grades nine through twelve.

10 L. If the election is to exceed district additional assistance and if
11 the proposed increase will be fully funded by a levy of taxes upon the
12 taxable property within the school district, the ballot shall contain the
13 words "budget increase, yes" and "budget increase, no", and the voter shall
14 signify the voter's desired choice. An election held pursuant to this
15 subsection shall be held on the first Tuesday after the first Monday of
16 November. The ballot shall also contain the amount of the proposed increase
17 of the proposed budget over the alternate budget and the following statement:

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

32 M. If the election is to exceed district additional assistance and if
33 the proposed increase will be fully funded by revenues from other than a levy
34 of taxes upon the taxable property within the school district, the ballot
35 shall contain the words "budget increase, yes" and "budget increase, no", and
36 the voter shall signify the voter's desired choice. An election held
37 pursuant to this subsection shall be held on the first Tuesday after the
38 first Monday of November. The ballot shall also contain the amount of the
39 proposed increase of the proposed budget over the alternate budget and the
40 following statement:

41 Any budget increase authorized by this election shall be
42 entirely funded by this school district with revenues from other
43 than a levy of taxes on the taxable property within the school
44 district for the year in which adopted and for _____ subsequent

1 years and shall not be realized from monies furnished by the
2 state.

3 N. If the election is to exceed a combination of the revenue control
4 limit as provided in subsection E or F of this section, the revenue control
5 limit as provided in subsection I or J of this section or district additional
6 assistance as provided in subsection L or M of this section, the ballot shall
7 be prepared so that the voters may vote on each proposed increase separately
8 and shall contain statements required in the same manner as if each proposed
9 increase were submitted separately.

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

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

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

3 2. Is for five years or more, the proposed increase is equal to the
4 initial proposed percentage increase in the following years of the proposed
5 increase, except that in the next to last year it is two-thirds of the
6 initial proposed percentage increase and it is one-third of the initial
7 proposed percentage increase in the last year of the proposed increase.

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

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

37 2. Is for five years or more, the proposed increase is equal to the
38 initial proposed percentage increase in the following years of the proposed
39 increase, except that in the next to last year it is two-thirds of the
40 initial proposed percentage increase and it is one-third of the initial
41 proposed percentage increase in the last year of the proposed increase.

42 R. If the voters in a school district vote to adopt a budget in excess
43 of district additional assistance as provided in subsection L of this
44 section, any additional increase shall be included in the aggregate budget
45 limit for each of the years authorized. The additional increase shall be

1 excluded from the determination of equalization assistance. The school
2 district governing board, however, may levy on the net assessed valuation
3 used for secondary property tax purposes of the property in the school
4 district the additional increase for the period authorized but not to exceed
5 ten years. For overrides approved by a vote of the qualified electors of the
6 school district at an election held from and after October 31, 1998, the
7 period of the additional increase prescribed in this subsection shall not
8 exceed seven years for any capital override election.

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

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

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

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

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

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

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

1 _____ school district is proposing to increase its
2 budget by \$_____ to fund capital improvements over and
3 above those funded by the state. Under the students first
4 capital funding system, _____ school district is entitled to
5 state monies for new construction and renovation of school
6 buildings in accordance with state law.

7 2. The ballot shall contain the words "budget increase, yes" and
8 "budget increase, no", and the voter shall signify the voter's desired
9 choice.

10 3. At least eighty-five days before the election, the school district
11 shall submit proposed ballot language to the director of the Arizona
12 legislative council. The director of the Arizona legislative council shall
13 review the proposed ballot language to determine whether the proposed ballot
14 language complies with this section. If the director of the Arizona
15 legislative council determines that the proposed ballot language does not
16 comply with this section, the director, within ten calendar days of the
17 receipt of the proposed ballot language, shall notify the school district of
18 the director's objections and the school district shall resubmit revised
19 ballot language to the director for approval.

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

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

31 1. If the increase is pursuant to subsection L or M of this section,
32 at a minimum, the update shall include the progress of capital improvements
33 financed through the override, a comparison of the current status and the
34 original projections on the construction of capital improvements, the costs
35 of capital improvements and the costs of capital improvements in progress or
36 completed since the prior meeting and the future capital plans of the school
37 district. The school district shall include in the public meeting a
38 discussion of the school district's use of state capital aid and
39 voter-approved bonding in funding capital improvements, if any.

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

1 Z. If a budget in excess of district additional assistance was
2 previously adopted by the voters in a school district and will be in effect
3 for the budget year or budget year and subsequent years, as provided in
4 subsection L or M of this section, the governing board may request an
5 additional budget in excess of district additional assistance. If the voters
6 in a school district authorize the additional budget in excess of district
7 additional assistance, the existing district additional assistance budget
8 increase remains in effect.

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

12 BB. If the election is to continue to exceed the revenue control limit
13 and if the proposed override will be fully funded by a continuation of a levy
14 of taxes on the taxable property in the school district, the ballot shall
15 contain the words "budget override continuation, yes" and "budget override
16 continuation, no", and the voter shall signify the voter's desired choice.
17 The ballot shall also contain the amount of the proposed continuation of the
18 budget increase of the proposed budget over the alternate budget, a statement
19 that the amount of the proposed increase will be based on a percentage of the
20 school district's revenue control limit in future years, if applicable, as
21 provided in subsection P of this section and the following statement:

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

37 CC. If the election is to continue to exceed the revenue control limit
38 as provided in section 15-482 and if the proposed override will be fully
39 funded by a continuation of a levy of taxes on the taxable property in the
40 school district, the ballot shall contain the words "budget override
41 continuation, yes" and "budget override continuation, no", and the voter
42 shall signify the voter's desired choice. The ballot shall also contain the
43 amount of the proposed continuation of the budget increase of the proposed
44 budget over the alternate budget, a statement that the amount of the proposed
45 increase will be based on a percentage of the school district's revenue

1 control limit in future years, if applicable, as provided in subsection P of
2 this section and the following statement:

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

18 Sec. 4. Section 15-491, Arizona Revised Statutes, is amended to read:
19 15-491. Elections on school property; exceptions

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

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

25 2. To purchase or sell school sites or buildings or sell school sites
26 pursuant to section 15-342 or to build school buildings, but the
27 authorization by vote of the school district shall not necessarily specify
28 the site to be purchased.

29 3. To decide whether the bonds of the school district shall be issued
30 and sold for the purpose of raising money for purchasing or leasing school
31 lots, for building or renovating school buildings, for supplying school
32 buildings with furniture, equipment and technology, for improving school
33 grounds, for purchasing pupil transportation vehicles or for liquidating any
34 indebtedness already incurred for such purposes. Bonds issued for furniture,
35 equipment and technology, other than fixtures, shall mature no later than the
36 July 1 that follows the fifth year after the bonds were issued. A school
37 district shall not issue class B bonds until the school district has
38 obligated in contract the entire proceeds of any class A bonds issued by the
39 school district. The total amount of class A and class B bonds issued by a
40 school district shall not exceed the debt limitations prescribed in article
41 IX, sections 8 and 8.1, Constitution of Arizona.

42 4. To lease for ten or more years, as lessor or as lessee, school
43 buildings or grounds. Approval by a majority of the school district electors
44 voting authorizes the governing board to negotiate for and enter into a
45 lease. The ballot shall list the school buildings or grounds for which a

1 lease is sought. If the governing board does not enter into a lease of ten
2 or more years of the school buildings or grounds listed on the ballot within
3 ten years of the date of the election and the board continues to seek such a
4 lease, the governing board shall call a special election to reauthorize the
5 board to negotiate for and to enter into a lease of ten or more years.

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

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

12 B. No petition shall be required for the holding of the first election
13 to be held in a joint common school district for any of the purposes
14 specified in subsection A of this section. The notice of election required
15 by section 15-492 shall be published in each of the counties that comprise
16 the joint common school district. The certification of election results
17 required by section 15-493 shall be made to the board of supervisors of the
18 jurisdictional county.

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

24 D. The governing board shall order the election to be held in the
25 manner prescribed in title 35, chapter 3, article 3. If a petition for an
26 election has been filed with the governing board as provided in subsection A
27 of this section, the board shall act on the petition within sixty days by
28 ordering the election to be held as provided in this subsection. If a school
29 district bond election is scheduled for the same date a school district will
30 hold an override election, the governing body shall deliver a copy of the
31 notice of election and ballot to the county school superintendent who shall
32 include the notice of election and ballot with the information report and
33 ballot prepared for the override election. Mailing of the information
34 required for both the override and bond elections shall constitute compliance
35 with the notice provisions of this section.

36 E. The elections to be held pursuant to this section shall only be
37 held on dates prescribed by section 16-204, except that elections held
38 pursuant to this section to decide whether class B bonds shall be issued, or
39 any other obligation incurred that will require the assessment of secondary
40 property taxes, shall only be held on the first Tuesday after the first
41 Monday of November.

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

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

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

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

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

13 _____ school district is proposing to issue class B
14 general obligation bonds totaling \$_____ to fund capital
15 improvements over and above those funded by the state. Under
16 the students first capital funding system, _____ school
17 district is entitled to state monies for new construction and
18 renovation of school buildings in accordance with state law.

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

21 _____, a joint technical education district, is
22 proposing to issue class B general obligation bonds totaling
23 \$_____ to fund capital improvements at a campus owned or
24 operated and maintained by the joint technical education
25 district.

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

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

31 5. At least eighty-five days before the election, the school district
32 shall submit proposed ballot language to the director of the Arizona
33 legislative council. The director of the Arizona legislative council shall
34 review the proposed ballot language to determine whether the proposed ballot
35 language complies with this section. If the director of the Arizona
36 legislative council determines that the proposed ballot language does not
37 comply with this section, the director, within ten calendar days of the
38 receipt of the proposed ballot language, shall notify the school district of
39 the director's objections and the school district shall resubmit revised
40 ballot language to the director for approval.

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

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

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

7 (c) The tax rate associated with each of the proposed capital
8 improvements and the estimated cost of each capital improvement for ~~the owner~~
9 ~~of~~ THE FOLLOWING:

10 (i) A single-family ~~home~~ RESIDENCE CLASSIFIED AS CLASS THREE, AS
11 PRESCRIBED BY SECTION 42-12003 OR AS CLASS FOUR, AS PRESCRIBED BY SECTION
12 42-12004 that is valued at one hundred thousand dollars.

13 (ii) COMMERCIAL PROPERTY CLASSIFIED AS CLASS ONE, AS PRESCRIBED BY
14 SECTION 42-12001 THAT IS VALUED AT FIVE HUNDRED THOUSAND DOLLARS.

15 (iii) VACANT PROPERTY CLASSIFIED AS CLASS TWO, AS PRESCRIBED BY
16 SECTION 42-12002 THAT IS VALUED AT ONE HUNDRED THOUSAND DOLLARS.

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

19 1. The ballot shall include the following statement:

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

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

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

31 3. At least eighty-five days before the election, the school district
32 shall submit proposed ballot language to the director of the legislative
33 council. The director of the legislative council shall review the proposed
34 ballot language to determine whether the proposed ballot language complies
35 with this section. If the director of the legislative council determines
36 that the proposed ballot language does not comply with this section, the
37 director, within ten calendar days of the receipt of the proposed ballot
38 language, shall notify the school district of the director's objections and
39 the school district shall resubmit revised ballot language to the director
40 for approval.

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

1 (a) The date of the election.

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

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

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

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

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

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

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

26 K. Each school district that issues bonds under this section is
27 required to hold a public meeting each year between September 1 and October
28 31, until the bond proceeds are spent, at which an update of the progress of
29 capital improvements financed through bonding is discussed and at which the
30 public is permitted an opportunity to comment. At a minimum, the update
31 shall include a comparison of the current status and the original projections
32 on the construction of capital improvements, the costs of capital
33 improvements and the costs of capital improvements in progress or completed
34 since the prior meeting and the future capital bonding plans of the school
35 district. The school district shall include in the public meeting a
36 discussion of the school district's use of state capital aid and
37 voter-approved capital overrides in funding capital improvements, if any.

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

41 1. The election may be held only on the first Tuesday after the first
42 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) A complete list of each proposed capital improvement that is in
9 addition to the initial capital improvements presented in the publicity
10 pamphlet when the bonds were approved and the proposed cost of each
11 improvement, including a separate aggregation of capital improvements for
12 administrative purposes as defined by the school facilities board.

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

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

20 3. The ballot shall contain the words "change capital improvements,
21 yes" and "change capital improvements, no", and the voter shall signify the
22 voter's desired choice.

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

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

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

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

34 (a) The date of the election.

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

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

37 (d) Arguments for and against the proposed change, if submitted, as
38 provided in section 15-481, subsection B, paragraph 9.

39 3. The ballot shall contain the words "extend time to issue bonds,
40 yes" and "extend time to issue bonds, no", and the voter shall signify the
41 voter's desired choice.

1 Sec. 5. Section 19-123, Arizona Revised Statutes, is amended to read:
2 19-123. Publicity pamphlet; printing; distribution; public
3 hearings

4 A. When the secretary of state is ordered by the legislature, or by
5 petition under the initiative and referendum provisions of the constitution,
6 to submit to the people a measure or proposed amendment to the constitution,
7 the secretary of state shall ~~cause to be printed~~ PRINT, at the expense of the
8 state, except as otherwise provided in this article, a publicity pamphlet,
9 which shall contain:

10 1. A true copy of the title and text of the measure or proposed
11 amendment. Such text shall indicate material deleted, if any, by printing
12 such material with a line drawn through the center of the letters of such
13 material and shall indicate material added or new material by printing the
14 letters of such material in capital letters.

15 2. The form in which the measure or proposed amendment will appear on
16 the ballot, the official title, the descriptive title prepared by the
17 secretary of state and the number by which it will be designated.

18 3. The arguments for and against the measure or amendment.

19 4. For any measure or proposed amendment, a legislative council
20 analysis of the ballot proposal as prescribed by section 19-124.

21 5. The report of the commission on judicial performance review for any
22 justices of the supreme court, judges of the court of appeals and judges of
23 the superior court who are subject to retention.

24 6. The summary of a fiscal impact statement prepared by the joint
25 legislative budget committee staff pursuant to subsection D of this section.

26 7. IMMEDIATELY BELOW THE LEGISLATIVE COUNCIL ANALYSIS, FOR ANY
27 STATUTORY MEASURE, THE FOLLOWING STATEMENT IN BOLD FACED TYPE: "NOTICE:
28 PURSUANT TO PROPOSITION 105 (1998), THIS MEASURE CAN NEVER BE CHANGED IN THE
29 FUTURE IF APPROVED ON THE BALLOT EXCEPT BY A THREE-FOURTHS VOTE OF THE
30 LEGISLATURE AND IF THE CHANGE FURTHERS THE PURPOSE OF THE ORIGINAL BALLOT
31 MEASURE, OR BY REFERRING THE CHANGE TO THE BALLOT."

32 B. The secretary of state shall mail one copy of the publicity
33 pamphlet to every household that contains a registered voter. The mailings
34 may be made over a period of days but shall be mailed in order to be
35 delivered to households before the earliest date for receipt by registered
36 voters of any requested early ballots for the general election.

37 C. Sample ballots for both the primary and general elections shall
38 include a statement that information on how to obtain a publicity pamphlet
39 for the general election ballot propositions is available by calling the
40 secretary of state. The statement shall include a telephone number and
41 mailing address of the secretary of state.

42 D. On certification of an initiative measure as qualified for the
43 ballot, the secretary of state shall hold or cause to be held at least three
44 public meetings on the ballot measure. Hearings shall be held in at least
45 three different counties and shall be held before the date of the election on

1 the measure. The hearings shall provide an opportunity for proponents,
2 opponents and the general public to provide testimony and request
3 information. Hearings may be scheduled to include more than one qualified
4 ballot measure and shall include a fiscal impact presentation on the measure
5 by the joint legislative budget committee staff. The joint legislative
6 budget committee staff shall prepare a summary of the fiscal impact for each
7 ballot measure, not to exceed three hundred words, for publication in the
8 publicity pamphlet.

9 Sec. 6. Section 35-454, Arizona Revised Statutes, is amended to read:

10 35-454. Informational pamphlet for election: review: election:
11 return; canvass of vote; certificate of election

12 A. The governing body or board of the political subdivision shall:

13 1. Not less than thirty-five days before the bond election, mail a
14 copy of an informational pamphlet to every household within the political
15 subdivision that contains a registered voter. The pamphlet shall contain
16 information on the:

17 (a) Amount of the bond authorization.

18 (b) Maximum interest rate of the bonds.

19 (c) Estimated debt retirement schedule for the current amount of bonds
20 outstanding, showing both principal and interest payments, the current net
21 assessed valuation as reported by the department of revenue and the current
22 adopted and estimated tax rates. For the purposes of this paragraph, "net
23 assessed valuation" may include the values used to determine voluntary
24 contributions collected pursuant to title 9, chapter 4, article 3 and title
25 48, chapter 1, article 8.

26 (d) Estimated debt retirement schedule for the proposed bond
27 authorization, showing both the estimated principal and interest payments and
28 the estimated average annual tax rate for the proposed bond authorization.
29 In preparing this information and the information prescribed by subdivision
30 (c), the projected total annual increase in net assessed valuation for any
31 future year shall not exceed:

32 (i) For the first five years of the estimated debt retirement
33 schedule, the average of the annual percentage growth for the previous ten
34 years in the net assessed valuation of the political subdivision.

35 (ii) For the remaining years of the estimated debt retirement
36 schedule, twenty per cent of the average of the annual percentage growth for
37 the previous ten years in the net assessed valuation of the political
38 subdivision.

39 (e) Source of repayment.

40 (f) Estimated issuance costs.

41 (g) Estimated tax impact of debt service for the bonds on an
42 owner-occupied residence classified as class three pursuant to section
43 42-12003, ON A SINGLE-FAMILY RESIDENCE CLASSIFIED AS CLASS FOUR PURSUANT TO
44 SECTION 42-12004 on commercial property classified as class one pursuant to
45 section 42-12001, paragraph 12 and on agricultural or other vacant property

1 classified as class two pursuant to section 42-12002, assuming the net
2 assessed valuation of the property increases annually at the lesser of five
3 per cent or fifty per cent of the projected total annual increase in net
4 assessed valuation as determined pursuant to subdivision (d) of this
5 paragraph over the term of the bonds using the same average annual tax rate
6 as under subdivision (d) of this paragraph, as follows:

7 The tax impact over the term of the bonds on an
8 owner-occupied residence valued by the county assessor at
9 ~~\$250,000~~ \$100,000 is estimated to be \$____ per year for __ years,
10 or \$____ total cost.

11 THE TAX IMPACT OVER THE TERM OF THE BONDS ON A
12 SINGLE-FAMILY RENTAL RESIDENCE VALUED BY THE COUNTY ASSESSOR AT
13 \$100,000 IS ESTIMATED TO BE \$____ PER YEAR FOR __ YEARS, OR
14 \$____ TOTAL COST.

15 The tax impact over the term of the bonds on commercial
16 property valued by the county assessor at ~~\$1,000,000~~ \$500,000 is
17 estimated to be \$____ per year for __ years, or \$____ total
18 cost.

19 The tax impact over the term of the bonds on agricultural
20 or other vacant property valued by the county assessor at
21 \$100,000 is estimated to be \$____ per year for __ years, or
22 \$____ total cost.

23 (h) In bold-faced type, estimated total cost of the proposed bond
24 authorization, including principal and interest.

25 (i) Current outstanding general obligation debt and constitutional
26 debt limitation.

27 (j) Purpose for which the bonds are to be issued and, if applicable,
28 in bold-faced type, that the amount of the proposed bond authorization
29 combined with the current outstanding debt exceeds the political
30 subdivision's constitutional debt limit.

31 (k) Polling location for the addressee.

32 (l) Hours during the day when the polls will be open.

33 (m) Arguments for and against the authorization of one or more of the
34 bond propositions.

35 2. Set a deadline to submit arguments for and against the
36 authorization of one or more of the bond propositions at a public meeting and
37 publish the deadline in a newspaper of general circulation in the
38 jurisdiction of the political subdivision.

39 3. Submit a copy of the informational pamphlet to the department of
40 revenue within thirty days after the bond election. The department of
41 revenue shall maintain copies of the pamphlets.

42 B. The failure of any one or more electors to receive the
43 informational pamphlet shall not be grounds to invalidate the election. The
44 election shall conform with the general election laws of the state. The
45 return of the election held in a county shall be made to the board of

1 supervisors and, in any other case, to the governing body or board of the
2 municipal corporation or district within twelve days after the election.

3 C. For any proposed general obligation bond authorization where the
4 principal and interest will be paid by a levy of property taxes, the ballot
5 shall contain the phrase "the issuance of these bonds will result in a
6 property tax increase sufficient to pay the annual debt service on bonds".
7 Any written information provided by the political subdivision pertaining to
8 the bond election shall include financial information showing the estimated
9 average tax rate for the proposed bond authorization.

10 D. If the governing body intends to use revenues other than property
11 taxes to pay the debt on proposed general obligation bonds, the ballot shall
12 contain the phrase "the issuance of these bonds will result in a property tax
13 increase sufficient to pay the annual debt service on bonds, unless the
14 governing body provides for payment from other sources".

15 E. The board of supervisors, governing body or governing board shall
16 hold a special meeting within twenty days after the election to canvass the
17 votes cast and certify the result. The certificate of the result shall be
18 prima facie evidence of full performance of all conditions and requirements
19 precedent to holding the election.

20 F. The governing board or body shall file and record in the office of
21 the county recorder a certificate disclosing the purpose of the election, the
22 total number of votes cast and the total number of votes for and against
23 creating the indebtedness, and stating whether or not the indebtedness is
24 ordered. Upon filing and recording the certificate, the governing board or
25 body shall carry out the purpose of the election.

26 G. Variations between the estimates required by subsection A of this
27 section and the actual debt retirement schedules, issuance costs, annual and
28 total costs and tax rates shall not invalidate either the election or the
29 bonds.

30 Sec. 7. Section 42-6006, Arizona Revised Statutes, is amended to read:

31 42-6006. Municipal elections on tax issues

32 A. A city or town may submit any issue relating to a transaction
33 privilege ~~tax~~, sales, use, franchise or other similar tax or fee, however
34 denominated, to the qualified electors of the city or town at any regular or
35 special municipal election, and may spend public monies of the city or town
36 to cover the expenses of the election on that issue.

37 B. THE PUBLICITY PAMPHLET FOR AN ELECTION ON A SALES TAX LEVY MUST
38 STATE THE AMOUNT OF THE TAX INCREASE.

39 Sec. 8. Heading change

40 The article heading of title 48, chapter 1, article 9, Arizona Revised
41 Statutes, is changed from "REPORTS BY DISTRICTS" to "FINANCIAL REPORTING AND
42 BONDING ELECTION REQUIREMENTS".

1 Sec. 9. Title 48, chapter 1, article 9, Arizona Revised Statutes, is
2 amended by adding section 48-254, to read:

3 48-254. Bonding; publicity pamphlet

4 NOTWITHSTANDING ANY OTHER LAW, FOR ANY DISTRICT ESTABLISHED PURSUANT TO
5 THIS TITLE THAT HOLDS AN ELECTION TO APPROVE A BOND OR PROPERTY TAX MEASURE,
6 THE FOLLOWING APPLY TO THE PUBLICITY PAMPHLET FOR THAT ELECTION:

7 1. FOR A BOND APPROVAL, THE PUBLICITY PAMPHLET MUST INCLUDE THE
8 INFORMATION REQUIRED BY SECTION 35-454.

9 2. FOR A PROPERTY TAX LEVY, THE PUBLICITY PAMPHLET MUST ESTIMATE THE
10 TAX FOR AN OWNER-OCCUPIED RESIDENCE CLASSIFIED AS CLASS THREE PURSUANT TO
11 SECTION 42-12003, A SINGLE-FAMILY RESIDENCE CLASSIFIED AS CLASS FOUR PURSUANT
12 TO SECTION 42-12004, A COMMERCIAL PROPERTY CLASSIFIED AS CLASS ONE PURSUANT
13 TO SECTION 42-12001, PARAGRAPH 12 AND AN AGRICULTURAL OR OTHER VACANT
14 PROPERTY CLASSIFIED AS CLASS TWO PURSUANT TO SECTION 42-12002, AS FOLLOWS:

15 THE ESTIMATED TAX ON AN OWNER-OCCUPIED RESIDENCE VALUED BY
16 THE COUNTY ASSESSOR AT \$100,000 IS ESTIMATED TO BE \$_____.

17 THE ESTIMATED TAX IMPACT ON A SINGLE-FAMILY RENTAL
18 RESIDENCE VALUED BY THE COUNTY ASSESSOR AT \$100,000 IS ESTIMATED
19 TO BE \$_____.

20 THE ESTIMATED TAX IMPACT ON COMMERCIAL PROPERTY VALUED BY
21 THE COUNTY ASSESSOR AT \$500,000 IS ESTIMATED TO BE \$_____.

22 THE ESTIMATED TAX ON AGRICULTURAL OR OTHER VACANT PROPERTY
23 VALUED BY THE COUNTY ASSESSOR AT \$100,000 IS ESTIMATED TO BE
24 \$_____.

25 Sec. 10. Severability

26 If a provision of this act or its application to any person or
27 circumstance is held invalid, the invalidity does not affect other provisions
28 or applications of the act that can be given effect without the invalid
29 provision or application, and to this end the provisions of this act are
30 severable.