

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, 16-912.01, 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

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

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

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

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

14 (i)

15	Small School	Support Level Weight		Phase Down
16	Student	for Small Isolated		Reduction
17	<u>Count</u>	<u>School Districts</u>	<u>Base Level</u>	<u>Factor</u>
18	_____ - <u>125</u>	x 1.358 + (0.0005 x	x \$ _____	= \$ _____
19		(500 - Student Count))		
20			Small Isolated	
21	Phase Down	Phase Down	School District	
22	<u>Base</u>	<u>Reduction Factor</u>	<u>Elementary Limit</u>	
23	\$150,000 -	\$ _____	=	\$ _____

24 (ii)

25	Small School	Support Level Weight		Phase Down
26	Student	for Small		Reduction
27	<u>Count</u>	<u>School Districts</u>	<u>Base Level</u>	<u>Factor</u>
28	_____ - <u>125</u>	x 1.278 + (0.0003 x	x \$ _____	= \$ _____
29		(500 - Student Count))		
30			Small	
31	Phase Down	Phase Down	School District	
32	<u>Base</u>	<u>Reduction Factor</u>	<u>Elementary Limit</u>	
33	\$150,000 -	\$ _____	=	\$ _____

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

38 (i)

39	Small School	Support Level Weight		Phase Down
40	Student	for Small Isolated		Reduction
41	<u>Count</u>	<u>School Districts</u>	<u>Base Level</u>	<u>Factor</u>
42	_____ - <u>100</u>	x 1.468 + (0.0005 x	x \$ _____	= \$ _____
43		(500 - Student Count))		

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	<u>Phase Down</u> <u>Base</u>	-	<u>Phase Down</u> <u>Reduction Factor</u>	=	<u>Small Isolated</u> <u>District</u> <u>Secondary Limit</u>
	\$350,000		\$ _____		\$ _____

(ii)

	<u>Small School</u> <u>Student</u> <u>Count</u>	-	<u>100</u>	x	<u>Support Level Weight</u> <u>for Small</u> <u>School Districts</u>	+	<u>1.398</u>	+	<u>(0.0004</u>	x	<u>_____</u>	x	<u>_____</u>	=	<u>_____</u>	\$	<u>Phase Down</u> <u>Reduction</u> <u>Factor</u>	
					(500 - Student Count))													

	<u>Phase Down</u> <u>Base</u>	-	<u>Phase Down</u> <u>Reduction Factor</u>	=	<u>Small</u> <u>School District</u> <u>Secondary Limit</u>
	\$350,000		\$ _____		\$ _____

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

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

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

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

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

41 I. If the election is to exceed the revenue control limit as provided  
42 in section 15-482 and if the proposed increase will be fully funded by a levy  
43 of taxes on the taxable property within the school district, the ballot shall  
44 contain the words "budget increase, yes" and "budget increase, no", and the  
45 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 16-912.01, Arizona Revised Statutes, is amended to  
2 read:

3           16-912.01. Ballot measure committees; campaign literature and  
4           advertising funding; identification; disclosure;  
5           civil penalty; definition

6           A. A political committee that makes an expenditure in connection with  
7 any literature or advertisement to support or oppose a ballot proposition  
8 shall disclose and, after November 2, 2010, shall include on the literature  
9 or advertisement the words "paid for by", followed by the name of the  
10 committee that appears on its statement of organization or five hundred  
11 dollar threshold exemption statement, and shall also include in such  
12 literature or advertisement the four largest of its major funding sources as  
13 of the time the literature or advertisement is printed, recorded or otherwise  
14 produced for dissemination. If a political committee has fewer than four  
15 major funding sources, the committee shall disclose all major funding  
16 sources.

17           B. For the purposes of this section, a major funding source of a  
18 political committee is any contributor that is not an individual person and  
19 that has made cumulative contributions of either:

20           1. Ten thousand dollars or more for an expenditure in support of or  
21 opposition to a statewide ballot proposition or a ballot proposition of a  
22 political subdivision with a population of one hundred thousand persons or  
23 more.

24           2. Five thousand dollars or more for an expenditure in support of or  
25 opposition to a ballot proposition of a political subdivision with a  
26 population of less than one hundred thousand persons.

27           C. If an out-of-state contributor or group of out-of-state  
28 contributors is a major funding source to a political committee disclosed  
29 pursuant to subsection A of this section, the political committee shall state  
30 the contributor is an out-of-state contributor on its literature or  
31 advertisement in support of or in opposition to a ballot proposition.

32           D. Contributors that make contributions to more than one political  
33 committee that supports or opposes the same ballot proposition shall notify  
34 each political committee of the cumulative total of these contributions.  
35 Cumulative totals must be disclosed by each political committee that received  
36 contributions from the same contributor if the cumulative totals qualify as a  
37 major funding source to be disclosed pursuant to subsection A of this  
38 section.

39           E. IN ADDITION TO THE DISCLOSURE REQUIRED PURSUANT TO SUBSECTION A OF  
40 THIS SECTION, FOR ANY STATUTORY MEASURE, THE LITERATURE OR ADVERTISEMENT  
41 SHALL ALSO INCLUDE THE FOLLOWING STATEMENT: "NOTICE: PURSUANT TO  
42 PROPOSITION 105 (1998), THIS MEASURE CAN NEVER BE CHANGED IN THE FUTURE IF  
43 APPROVED ON THE BALLOT EXCEPT BY A THREE-FOURTHS VOTE OF THE LEGISLATURE AND  
44 IF THE CHANGE FURTHERS THE PURPOSE OF THE ORIGINAL BALLOT MEASURE, OR BY  
45 REFERRING THE CHANGE TO THE BALLOT."

1 ~~E.~~ F. Any disclosure statement required by this section shall be  
2 printed clearly and legibly in a conspicuous manner. For printed material  
3 that is delivered or provided by hand or by mail, the disclosure shall be  
4 printed in a clearly legible manner. The disclosure statement shall include  
5 the words "paid for by" followed by the name of the entity making the  
6 expenditure. Disclosure statements shall also comply with the following:

7 1. If the communication is broadcast on radio, the disclosure shall be  
8 spoken at the end of the communication.

9 2. If the communication is broadcast on a telecommunications system,  
10 the following apply:

11 (a) The disclosure shall be both written and spoken at the end of the  
12 communication, except that if the written disclosure statement is displayed  
13 for at least five seconds of a thirty second communications broadcast or ten  
14 seconds of a sixty second communications broadcast, a spoken disclosure  
15 statement is not required.

16 (b) The written disclosure statement shall be printed in letters that  
17 are displayed in a height equal to or greater than four per cent of the  
18 vertical picture height.

19 ~~F.~~ G. Subsections A, ~~and E AND F~~ of this section do not apply to  
20 bumper stickers, pins, buttons, pens and similar small items on which the  
21 statements required in subsections A, ~~and E AND F~~ of this section cannot be  
22 conveniently printed or to a communication by an organization solely to its  
23 members.

24 ~~G.~~ H. A committee shall change future literature and advertisements  
25 to reflect any change in funding sources that must be disclosed pursuant to  
26 subsection A of this section.

27 ~~H.~~ I. This section only applies to advertisements the contents of  
28 which are more than fifty per cent devoted to one or more ballot propositions  
29 or proposed measures on the same subject.

30 ~~I.~~ J. Any committee that violates this section is liable in a civil  
31 action brought by the attorney general, county attorney or city or town  
32 attorney, as appropriate, or by any other person for a civil penalty of three  
33 times the total cost of the advertisement. A donor who does not accurately  
34 disclose its contributions is liable for a civil penalty of three times the  
35 amount donated.

36 ~~J.~~ K. For the purposes of this section, "advertisement" means general  
37 public advertising through the print and electronic media, signs, billboards  
38 and direct mail.

39 Sec. 6. Section 19-123, Arizona Revised Statutes, is amended to read:

40 19-123. Publicity pamphlet; printing; distribution; public  
41 hearings

42 A. When the secretary of state is ordered by the legislature, or by  
43 petition under the initiative and referendum provisions of the constitution,  
44 to submit to the people a measure or proposed amendment to the constitution,  
45 the secretary of state shall ~~cause to be printed~~ PRINT, at the expense of the

1 state, except as otherwise provided in this article, a publicity pamphlet,  
2 which shall contain:

3 1. A true copy of the title and text of the measure or proposed  
4 amendment. Such text shall indicate material deleted, if any, by printing  
5 such material with a line drawn through the center of the letters of such  
6 material and shall indicate material added or new material by printing the  
7 letters of such material in capital letters.

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

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

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

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

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

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

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

30 C. Sample ballots for both the primary and general elections shall  
31 include a statement that information on how to obtain a publicity pamphlet  
32 for the general election ballot propositions is available by calling the  
33 secretary of state. The statement shall include a telephone number and  
34 mailing address of the secretary of state.

35 D. On certification of an initiative measure as qualified for the  
36 ballot, the secretary of state shall hold or cause to be held at least three  
37 public meetings on the ballot measure. Hearings shall be held in at least  
38 three different counties and shall be held before the date of the election on  
39 the measure. The hearings shall provide an opportunity for proponents,  
40 opponents and the general public to provide testimony and request  
41 information. Hearings may be scheduled to include more than one qualified  
42 ballot measure and shall include a fiscal impact presentation on the measure  
43 by the joint legislative budget committee staff. The joint legislative  
44 budget committee staff shall prepare a summary of the fiscal impact for each

1 ballot measure, not to exceed three hundred words, for publication in the  
2 publicity pamphlet.

3 Sec. 7. Section 35-454, Arizona Revised Statutes, is amended to read:

4 35-454. Informational pamphlet for election; review; election;  
5 return; canvass of vote; certificate of election

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

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

11 (a) Amount of the bond authorization.

12 (b) Maximum interest rate of the bonds.

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

20 (d) Estimated debt retirement schedule for the proposed bond  
21 authorization, showing both the estimated principal and interest payments and  
22 the estimated average annual tax rate for the proposed bond authorization.  
23 In preparing this information and the information prescribed by subdivision  
24 (c), the projected total annual increase in net assessed valuation for any  
25 future year shall not exceed:

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

29 (ii) For the remaining years of the estimated debt retirement  
30 schedule, twenty per cent of the average of the annual percentage growth for  
31 the previous ten years in the net assessed valuation of the political  
32 subdivision.

33 (e) Source of repayment.

34 (f) Estimated issuance costs.

35 (g) Estimated tax impact of debt service for the bonds on an  
36 owner-occupied residence classified as class three pursuant to section  
37 42-12003, ON A SINGLE-FAMILY RESIDENCE CLASSIFIED AS CLASS FOUR PURSUANT TO  
38 SECTION 42-12004 on commercial property classified as class one pursuant to  
39 section 42-12001, paragraph 12 and on agricultural or other vacant property  
40 classified as class two pursuant to section 42-12002, assuming the net  
41 assessed valuation of the property increases annually at the lesser of five  
42 per cent or fifty per cent of the projected total annual increase in net  
43 assessed valuation as determined pursuant to subdivision (d) of this  
44 paragraph over the term of the bonds using the same average annual tax rate  
45 as under subdivision (d) of this paragraph, as follows:

1           The tax impact over the term of the bonds on an  
2 owner-occupied residence valued by the county assessor at  
3 ~~\$250,000~~ \$100,000 is estimated to be \$\_\_\_ per year for \_\_ years,  
4 or \$\_\_\_ total cost.

5           THE TAX IMPACT OVER THE TERM OF THE BONDS ON A  
6 SINGLE-FAMILY RENTAL RESIDENCE VALUED BY THE COUNTY ASSESSOR AT  
7 \$100,000 IS ESTIMATED TO BE \$\_\_\_\_\_ PER YEAR FOR \_\_ YEARS, OR  
8 \$\_\_\_\_\_ TOTAL COST.

9           The tax impact over the term of the bonds on commercial  
10 property valued by the county assessor at ~~\$1,000,000~~ \$500,000 is  
11 estimated to be \$\_\_\_ per year for \_\_ years, or \$\_\_\_\_\_ total  
12 cost.

13           The tax impact over the term of the bonds on agricultural  
14 or other vacant property valued by the county assessor at  
15 \$100,000 is estimated to be \$\_\_\_ per year for \_\_ years, or  
16 \$\_\_\_\_\_ total cost.

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

19           (i) Current outstanding general obligation debt and constitutional  
20 debt limitation.

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

25           (k) Polling location for the addressee.

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

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

29           2. Set a deadline to submit arguments for and against the  
30 authorization of one or more of the bond propositions at a public meeting and  
31 publish the deadline in a newspaper of general circulation in the  
32 jurisdiction of the political subdivision.

33           3. Submit a copy of the informational pamphlet to the department of  
34 revenue within thirty days after the bond election. The department of  
35 revenue shall maintain copies of the pamphlets.

36           B. The failure of any one or more electors to receive the  
37 informational pamphlet shall not be grounds to invalidate the election. The  
38 election shall conform with the general election laws of the state. The  
39 return of the election held in a county shall be made to the board of  
40 supervisors and, in any other case, to the governing body or board of the  
41 municipal corporation or district within twelve days after the election.

42           C. For any proposed general obligation bond authorization where the  
43 principal and interest will be paid by a levy of property taxes, the ballot  
44 shall contain the phrase "the issuance of these bonds will result in a  
45 property tax increase sufficient to pay the annual debt service on bonds".

1 Any written information provided by the political subdivision pertaining to  
2 the bond election shall include financial information showing the estimated  
3 average tax rate for the proposed bond authorization.

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

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

14 F. The governing board or body shall file and record in the office of  
15 the county recorder a certificate disclosing the purpose of the election, the  
16 total number of votes cast and the total number of votes for and against  
17 creating the indebtedness, and stating whether or not the indebtedness is  
18 ordered. Upon filing and recording the certificate, the governing board or  
19 body shall carry out the purpose of the election.

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

24 Sec. 8. Section 42-6006, Arizona Revised Statutes, is amended to read:  
25 42-6006. Municipal elections on tax issues

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

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

33 Sec. 9. Heading change

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

37 Sec. 10. Title 48, chapter 1, article 9, Arizona Revised Statutes, is  
38 amended by adding section 48-254, to read:

39 48-254. Bonding; publicity pamphlet

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

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

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

7           THE ESTIMATED TAX ON AN OWNER-OCCUPIED RESIDENCE VALUED BY  
8 THE COUNTY ASSESSOR AT \$100,000 IS ESTIMATED TO BE \$\_\_\_\_\_.

9           THE ESTIMATED TAX IMPACT ON A SINGLE-FAMILY RENTAL  
10 RESIDENCE VALUED BY THE COUNTY ASSESSOR AT \$100,000 IS ESTIMATED  
11 TO BE \$\_\_\_\_\_.

12           THE ESTIMATED TAX IMPACT ON COMMERCIAL PROPERTY VALUED BY  
13 THE COUNTY ASSESSOR AT \$500,000 IS ESTIMATED TO BE \$\_\_\_\_\_.

14           THE ESTIMATED TAX ON AGRICULTURAL OR OTHER VACANT PROPERTY  
15 VALUED BY THE COUNTY ASSESSOR AT \$100,000 IS ESTIMATED TO BE  
16 \$\_\_\_\_\_.

17           Sec. 11. Severability

18           If a provision of this act or its application to any person or  
19 circumstance is held invalid, the invalidity does not affect other provisions  
20 or applications of the act that can be given effect without the invalid  
21 provision or application, and to this end the provisions of this act are  
22 severable.