

State of Arizona
House of Representatives
Fifty-second Legislature
Second Regular Session
2016

HOUSE BILL 2054

AN ACT

AMENDING SECTION 15-393, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2016, CHAPTER 4, SECTION 3; AMENDING SECTIONS 15-1021, 35-451 AND 35-503, ARIZONA REVISED STATUTES; RELATING TO PUBLIC DEBT.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 15-393, Arizona Revised Statutes, as amended by
3 Laws 2016, chapter 4, section 3, is amended to read:

4 15-393. Joint technical education district governing board:
5 report; definitions

6 A. The management and control of the joint district are vested in the
7 joint technical education district governing board, including the content and
8 quality of the courses offered by the district, the quality of teachers who
9 provide instruction on behalf of the district, the salaries of teachers who
10 provide instruction on behalf of the district and the reimbursement of other
11 entities for the facilities used by the district. Unless the governing
12 boards of the school districts participating in the formation of the joint
13 district vote to implement an alternative election system as provided in
14 subsection B of this section, the joint board shall consist of five members
15 elected from five single member districts formed within the joint district.
16 The single member district election system shall be submitted as part of the
17 plan for the joint district pursuant to section 15-392 and shall be
18 established in the plan as follows:

19 1. The governing boards of the school districts participating in the
20 formation of the joint district shall define the boundaries of the single
21 member districts so that the single member districts are as nearly equal in
22 population as is practicable, except that if the joint district lies in part
23 in each of two or more counties, at least one single member district may be
24 entirely within each of the counties comprising the joint district if this
25 district design is consistent with the obligation to equalize the population
26 among single member districts.

27 2. The boundaries of each single member district shall follow election
28 precinct boundary lines, as far as practicable, in order to avoid further
29 segmentation of the precincts.

30 3. A person who is a registered voter of this state and who is a
31 resident of the single member district is eligible for election to the office
32 of joint board member from the single member district. The terms of office
33 of the members of the joint board shall be as prescribed in section 15-427,
34 subsection B. An employee of a joint technical education district or the
35 spouse of an employee shall not hold membership on a governing board of a
36 joint technical education district by which the employee is employed. A
37 member of one school district governing board or joint technical education
38 district governing board is ineligible to be a candidate for nomination or
39 election to or serve simultaneously as a member of any other governing board,
40 except that a member of a governing board may be a candidate for nomination
41 or election for any other governing board if the member is serving in the
42 last year of a term of office. A member of a governing board shall resign
43 the member's seat on the governing board before becoming a candidate for
44 nomination or election to the governing board of any other school district or

1 joint technical education district, unless the member of the governing board
2 is serving in the last year of a term of office.

3 4. Nominating petitions shall be signed by the number of qualified
4 electors of the single member district as provided in section 16-322.

5 B. The governing boards of the school districts participating in the
6 formation of the joint district may vote to implement any other alternative
7 election system for the election of joint district board members. If an
8 alternative election system is selected, it shall be submitted as part of the
9 plan for the joint district pursuant to section 15-392, and the
10 implementation of the system shall be as approved by the United States
11 justice department.

12 C. The joint technical education district shall be subject to the
13 following provisions of this title:

- 14 1. Chapter 1, articles 1 through 6.
- 15 2. Sections 15-208, 15-210, 15-213 and 15-234.
- 16 3. Articles 2, 3 and 5 of this chapter.
- 17 4. Section 15-361.
- 18 5. Chapter 4, articles 1, 2 and 5.
- 19 6. Chapter 5, articles 1, 2 and 3.
- 20 7. Sections 15-701.01, 15-722, 15-723, 15-724, 15-727, 15-728, 15-729
21 and 15-730.
- 22 8. Chapter 7, article 5.
- 23 9. Chapter 8, articles 1, 3 and 4.
- 24 10. Sections 15-828 and 15-829.
- 25 11. Chapter 9, article 1, article 6, except for section 15-995, and
26 article 7.
- 27 12. Sections 15-941, 15-943.01, 15-948, 15-952, 15-953 and 15-973.
- 28 13. Sections 15-1101 and 15-1104.
- 29 14. Chapter 10, articles 2, 3, 4 and 8.

30 D. Notwithstanding subsection C of this section, the following apply
31 to a joint technical education district:

32 1. A joint district may issue bonds for the purposes specified in
33 section 15-1021 and in chapter 4, article 5 of this title to an amount in the
34 aggregate, including the existing indebtedness, not exceeding one percent of
35 the ~~taxable property used for secondary tax purposes, as determined pursuant~~
36 ~~to title 42, chapter 15, article 1,~~ NET ASSESSED VALUE OF THE FULL CASH VALUE
37 OF THE PROPERTY within the joint technical education district ~~as ascertained~~
38 ~~by the last property tax assessment previous to issuing the bonds.~~ FOR THE
39 PURPOSES OF THIS PARAGRAPH, "FULL CASH VALUE" AND "NET ASSESSED VALUE" HAVE
40 THE SAME MEANINGS PRESCRIBED IN SECTION 42-11001.

41 2. The number of governing board members for a joint district shall be
42 as prescribed in subsection A of this section.

43 3. The student count for the first year of operation of a joint
44 technical education district as provided in this article shall be determined
45 as follows:

1 (a) Determine the estimated student count for joint district classes
2 that will operate in the first year of operation. This estimate shall be
3 based on actual registration of pupils as of March 30 scheduled to attend
4 classes that will be operated by the joint district. The student count for
5 the district of residence of the pupils registered at the joint district
6 shall be adjusted. The adjustment shall cause the district of residence to
7 reduce the student count for the pupil to reflect the courses to be taken at
8 the joint district. The district of residence shall review and approve the
9 adjustment of its own student count as provided in this subdivision before
10 the pupils from the school district can be added to the student count of the
11 joint district.

12 (b) The student count for the new joint district shall be the student
13 count as determined in subdivision (a) of this paragraph.

14 (c) For the first year of operation, the joint district shall revise
15 the student count to the actual average daily membership as prescribed in
16 section 15-901, subsection A, paragraph 1 for students attending classes in
17 the joint district. A joint district shall revise its student count, the
18 base support level as provided in section 15-943.02, the revenue control
19 limit as provided in section 15-944.01 and the district additional assistance
20 as provided in section 15-962.01 prior to May 15. A joint district that
21 overestimated its student count shall revise its budget prior to May 15. A
22 joint district that underestimated its student count may revise its budget
23 prior to May 15.

24 (d) After March 15 of the first year of operation, the district of
25 residence shall adjust its student count by reducing it to reflect the
26 courses actually taken at the joint district. The district of residence
27 shall revise its student count, the base support level as provided in section
28 15-943, the revenue control limit as provided in section 15-944 and the
29 district additional assistance as provided in section 15-962.01 prior to
30 May 15. A district that underestimated the student count for students
31 attending the joint district shall revise its budget prior to May 15. A
32 district that overestimated the student count for students attending the
33 joint district may revise its budget prior to May 15.

34 (e) A joint district for the first year of operation shall not be
35 eligible for adjustment pursuant to section 15-948.

36 (f) The procedures for implementing this paragraph shall be as
37 prescribed in the uniform system of financial records.

38 (g) Pupils in an approved joint technical education district
39 centralized program may generate an average daily membership of 1.0 during
40 any day of the week and at any time between July 1 and June 30 of each fiscal
41 year.

42 For the purposes of this paragraph, "district of residence" means the
43 district that included the pupil in its average daily membership for the year
44 before the first year of operation of the joint district and that would have
45 included the pupil in its student count for the purposes of computing its

1 base support level for the fiscal year of the first year of operation of the
2 joint district if the pupil had not enrolled in the joint district.

3 4. A student includes any person enrolled in the joint district
4 without regard to the person's age or high school graduation status, except
5 that:

6 (a) A student in a kindergarten program or in grades one through nine
7 who enrolls in courses offered by the joint technical education district
8 shall not be included in the joint district's student count or average daily
9 membership.

10 (b) A student in a kindergarten program or in grades one through nine
11 who is enrolled in career and technical education courses shall not be funded
12 in whole or in part with monies provided by a joint technical education
13 district, except that a pupil in grade eight or nine may be funded with
14 monies generated by the five cent qualifying tax rate authorized in
15 subsection F of this section.

16 (c) Beginning July 1, 2016, a student who has graduated from high
17 school or received a general equivalency diploma or who is over twenty-one
18 years of age shall not be included in the student count of the joint district
19 for the purposes of chapter 9, articles 3, 4 and 5 of this title. A student
20 who has yet to graduate or receive a general equivalency diploma and was
21 lawfully enrolled in a joint technical education district program on January
22 1, 2016 may continue to participate in the program after the effective date
23 of this amendment to this section.

24 (d) A student who is enrolled in any internship course as part of a
25 joint technical education district program shall not be included in the
26 student count of the joint district for that internship course for the
27 purposes of chapter 9, articles 3, 4 and 5 of this title.

28 5. A joint district may operate for more than one hundred eighty days
29 per year, with expanded hours of service.

30 6. A joint district may use the carryforward provisions of section
31 15-943.01.

32 7. A school district that is part of a joint district shall use any
33 monies received pursuant to this article to supplement and not supplant base
34 year career and technical education courses, and directly related equipment
35 and facilities, except that a school district that is part of a joint
36 technical education district and that has used monies received pursuant to
37 this article to supplant career and technical education courses that were
38 offered before the first year that the school district participated in the
39 joint district or the first year that the school district used monies
40 received pursuant to this article or that used the monies for purposes other
41 than for career and technical education courses shall use one hundred percent
42 of the monies received pursuant to this article to supplement and not
43 supplant base year career and technical education courses.

1 8. A joint technical education district shall use any monies received
2 pursuant to this article to enhance and not supplant career and technical
3 education courses and directly related equipment and facilities.

4 9. A joint technical education district or a school district that is
5 part of a joint district or a charter school shall only include pupils in
6 grades ten through twelve in the calculation of student count or average
7 daily membership if the pupils are enrolled in courses that are approved
8 jointly by the governing board of the joint technical education district and
9 each participating school district or charter school for satellite courses
10 taught within the participating school district or charter school, or
11 approved solely by the joint technical education district for centrally
12 located courses. Student count and average daily membership from courses
13 that are not part of an approved program for career and technical education
14 shall not be included in student count and average daily membership of a
15 joint technical education district.

16 E. The joint board shall appoint a superintendent as the executive
17 officer of the joint district.

18 F. Taxes may be levied for the support of the joint district as
19 prescribed in chapter 9, article 6 of this title, except that a joint
20 technical education district shall not levy a property tax pursuant to law
21 that exceeds five cents per one hundred dollars assessed valuation except for
22 bond monies pursuant to subsection D, paragraph 1 of this section. Except
23 for the taxes levied pursuant to section 15-994, such taxes shall be obtained
24 from a levy of taxes on the taxable property used for secondary tax purposes.

25 G. The schools in the joint district are available to all persons who
26 reside in the joint district and to pupils whose district of residence within
27 this state is paying tuition on behalf of the pupils to a district of
28 attendance that is a member of the joint technical education district,
29 subject to the rules for admission prescribed by the joint board.

30 H. The joint board may collect tuition for adult students and the
31 attendance of pupils who are residents of school districts that are not
32 participating in the joint district pursuant to arrangements made between the
33 governing board of the district and the joint board.

34 I. The joint board may accept gifts, grants, federal monies, tuition
35 and other allocations of monies to erect, repair and equip buildings and for
36 the cost of operation of the schools of the joint district.

37 J. One member of the joint board shall be selected chairman. The
38 chairman shall be selected annually on a rotation basis from among the
39 participating school districts. The chairman of the joint board shall be a
40 voting member.

41 K. A joint board and a community college district may enter into
42 agreements for the provision of administrative, operational and educational
43 services and facilities.

44 L. Beginning July 1, 2016, any agreement between the governing board
45 of a joint technical education district and another joint technical education

1 district, a school district, a charter school or a community college district
2 shall be in the form of an intergovernmental agreement or other written
3 contract. The auditor general shall modify the uniform system of financial
4 records and budget forms in accordance with this subsection. The
5 intergovernmental agreement or other written contract shall completely and
6 accurately specify each of the following:

7 1. The financial provisions of the intergovernmental agreement or
8 other written contract and the format for the billing of all services.

9 2. The accountability provisions of the intergovernmental agreement or
10 other written contract.

11 3. The responsibilities of each joint technical education district,
12 each school district, each charter school and each community college district
13 that is a party to the intergovernmental agreement or other written contract.

14 4. The type of instruction that will be provided under the
15 intergovernmental agreement or other written contract, including
16 individualized education programs pursuant to section 15-763.

17 5. The quality of the instruction that will be provided under the
18 intergovernmental agreement or other written contract.

19 6. The transportation services that will be provided under the
20 intergovernmental agreement or other written contract and the manner in which
21 transportation costs will be paid.

22 7. The amount that the joint technical education district will
23 contribute to a course and the amount of support required by the school
24 district or the community college.

25 8. That the services provided by the joint technical education
26 district, the school district, the charter school or the community college
27 district be proportionally calculated in the cost of delivering the service.

28 9. That the payment for services shall not exceed the cost of the
29 services provided.

30 10. That the joint technical education district will provide the
31 following minimum services for all member districts:

32 (a) Professional development of career and technical teachers in the
33 joint district who are teaching programs or courses at a satellite campus.

34 (b) Ongoing evaluation and support of satellite campus programs and
35 courses to ensure quality and compliance.

36 11. An itemized listing of other goods and services that are provided
37 to the member district and that are paid for by the retention of satellite
38 campus student funding.

39 M. A member school district or charter school may not submit requests
40 for the approval or addition of satellite campus joint district programs or
41 courses directly to the career and technical education division of the
42 department of education, but shall submit all appropriate application
43 documentation and materials for programs or courses to the joint
44 district. On approval from the joint board, a joint district shall only
45 submit requests for the approval or addition of satellite campus joint

1 district programs or courses directly to the career and technical education
2 division of the department of education. If the career and technical
3 education division of the department of education determines that a course
4 does not meet the criteria for approval as a joint technical education
5 course, the governing board of the joint technical education district may
6 appeal this decision to the state board of education acting as the state
7 board of vocational education.

8 N. Notwithstanding any other law, the average daily membership for a
9 pupil who is enrolled in a joint technical education course defined in
10 section 15-391 and who does not meet the criteria specified in subsection P
11 or Q of this section shall be 0.25 for each course, except the sum of the
12 average daily membership shall not exceed the limits prescribed by subsection
13 D, P or Q of this section, as applicable.

14 O. If a career and technical education course or program is provided
15 on a satellite campus, the sum of the average daily membership, as provided
16 in section 15-901, subsection A, paragraph 1, for that pupil in the school
17 district or charter school and joint technical education district shall not
18 exceed 1.25. The school district or charter school and the joint district
19 shall determine the apportionment of the average daily membership for that
20 pupil between the school district or charter school and the joint
21 district. A pupil who attends a course or program at a satellite campus and
22 who is not enrolled in the school district or charter school where the
23 satellite campus is located may generate the average daily membership
24 pursuant to this subsection if the pupil is enrolled in a school district
25 that is a member district in the same joint technical education district.

26 P. The sum of the average daily membership of a pupil who is enrolled
27 in both the school district and joint technical education district course or
28 program provided at a community college pursuant to subsection K of this
29 section or at a centralized campus shall not exceed 1.75. The member school
30 district and the joint district shall determine the apportionment of the
31 average daily membership and student enrollment for that pupil between the
32 member school district and the joint district, except that the amount
33 apportioned shall not exceed 1.0 for either entity. Notwithstanding any
34 other law, the average daily membership for a pupil in grade ten, eleven or
35 twelve who is enrolled in a course that meets for at least one hundred fifty
36 minutes per class period at a centralized campus shall be 0.75. To qualify
37 for funding pursuant to this subsection, a centralized campus shall offer
38 programs and courses to all eligible students in each member district of the
39 joint technical education district.

40 Q. The average daily membership for a pupil in grade ten, eleven or
41 twelve who is enrolled in a course that meets for at least one hundred fifty
42 minutes per class period at a leased centralized campus shall not exceed
43 0.75. The sum of the average daily membership, as provided in section
44 15-901, subsection A, paragraph 1, of a pupil who is enrolled in both the
45 school district and in joint technical education district courses provided at

1 a leased centralized campus shall not exceed 1.75 if all of the following
2 conditions are met:

3 1. The course qualifies as a joint technical education course as
4 defined in section 15-391.

5 2. The course is offered to all eligible students in each member
6 district of the joint technical education district and enrolls students from
7 multiple high schools.

8 3. The joint technical education district program in which the course
9 is included addresses a specific industry need and has been developed in
10 cooperation with that industry, or the leased facility is a state or federal
11 asset that would otherwise be unused or underutilized.

12 4. The lease is established at fair market value if the lease is
13 executed for a facility located on the site of a member district and was
14 approved by the joint committee on capital review, except that a lease that
15 was executed or renewed before December 31, 2012 is not subject to approval
16 by the joint committee on capital review.

17 R. A student who is enrolled in an accommodation school as defined in
18 section 15-101 may be treated as a student of the school district in which
19 the student physically resides for the purposes of enrollment in a joint
20 technical education district and shall be included in the calculation of
21 average daily membership for either the joint technical education district or
22 the accommodation school, or both.

23 S. Notwithstanding any other law, the student count for a joint
24 technical education district shall be equivalent to the joint technical
25 education district's average daily membership.

26 T. A school district or charter school may not prohibit or discourage
27 students who are enrolled in that school district or charter school from
28 attending courses offered by a joint technical education district, including
29 requiring students to generate a full 1.0 average daily membership or
30 enrolling in more courses than are needed for a particular student to
31 graduate before enrolling and attending programs or courses offered by a
32 joint district.

33 U. The governing board of the joint technical education district may
34 contract with any charter school that is located within the boundaries of the
35 joint technical education district to allow that charter school to offer
36 career and technical education courses or programs as a satellite campus.

37 V. Beginning in 2020 and every five years thereafter, the career and
38 technical education division of the department of education shall review
39 joint technical education district programs and joint technical education
40 courses to ensure compliance, quality and eligibility. Any program or course
41 deemed to not meet the requirements set forth by law shall not be funded for
42 the preceding school year and shall be removed from the approved program and
43 course list. The career and technical education division may establish a
44 staggered schedule for reviewing each joint technical education district.

1 W. For the purposes of this section:
2 1. "Base year" means the complete school year in which voters of a
3 school district elected to join a joint technical education district.
4 2. "Centralized campus" means a facility that is owned and operated by
5 a joint technical education district for the purpose of offering joint
6 technical education district programs or joint technical education courses.
7 3. "Lease" means a written agreement in which the right of occupancy
8 or use of real property is conveyed from one person or entity to another
9 person or entity for a specified period of time.
10 4. "Leased centralized campus" means a facility that is leased and
11 operated by a joint technical education district for the purpose of offering
12 joint technical education district programs or joint technical education
13 courses.
14 5. "Satellite campus" means a facility that is owned or operated by a
15 school district or charter school for the purpose of offering joint technical
16 education district programs or joint technical education courses.
17 Sec. 2. Section 15-1021, Arizona Revised Statutes, is amended to read:
18 15-1021. Limitation on bonded indebtedness; limitation on
19 authorization and issuance of bonds; definitions
20 A. Until December 31, 1999, a school district may issue class A bonds
21 for the purposes specified in this section and chapter 4, article 5 of this
22 title to an amount in the aggregate, including the existing indebtedness, not
23 exceeding fifteen percent of the taxable property used for secondary property
24 tax purposes, as determined pursuant to title 42, chapter 15, article 1,
25 within a school district as ascertained by the last property tax assessment
26 previous to issuing the bonds.
27 B. From and after December 31, 1998, a school district may issue class
28 B bonds for the purposes specified in this section and chapter 4, article 5
29 of this title to an amount in the aggregate, including the existing class B
30 indebtedness, not exceeding ten percent of the NET ASSESSED value of the
31 ~~taxable property~~ FULL CASH VALUE OF THE PROPERTY in that school district, or
32 one thousand five hundred dollars per student count pursuant to section
33 15-901, subsection A, paragraph 13, whichever amount is greater. ~~The value~~
34 ~~of the taxable property shall be ascertained as provided by article IX,~~
35 ~~section 8, Constitution of Arizona.~~ A school district shall not issue class
36 B bonds until the proceeds of any class A bonds issued by the school district
37 have been obligated in contract. The total amount of class A and class B
38 bonds issued by a school district shall not exceed the debt limitations
39 prescribed in article IX, section 8, Constitution of Arizona.
40 C. Until December 31, 1999, a unified school district, as defined
41 under article IX, section 8.1, Constitution of Arizona, may issue class A
42 bonds for the purposes specified in this section and chapter 4, article 5 of
43 this title to an amount in the aggregate, including the existing
44 indebtedness, not exceeding thirty percent of the taxable property used for
45 secondary property tax purposes, as determined pursuant to title 42, chapter

1 15, article 1, within a unified school district as ascertained by the last
2 property tax assessment previous to issuing the bonds.

3 D. From and after December 31, 1998, a unified school district, as
4 defined under article IX, section 8.1, Constitution of Arizona, may issue
5 class B bonds for the purposes specified in this section and chapter 4,
6 article 5 of this title to an amount in the aggregate, including the existing
7 class B indebtedness, not exceeding twenty percent of the NET ASSESSED value
8 of the ~~taxable property~~ FULL CASH VALUE OF THE PROPERTY in that school
9 district, or one thousand five hundred dollars per student count pursuant to
10 section 15-901, subsection A, paragraph 13, whichever amount is greater. ~~The~~
11 ~~value of the taxable property shall be ascertained as provided by article IX,~~
12 ~~section 8, Constitution of Arizona.~~ A unified school district shall not
13 issue class B bonds until the proceeds of any class A bonds issued by the
14 unified school district have been obligated in contract. The total amount of
15 class A and class B bonds issued by a unified school district shall not
16 exceed the debt limitations prescribed in article IX, section 8.1,
17 Constitution of Arizona.

18 E. No bonds authorized to be issued by an election held after July 1,
19 1980 and before November 24, 2009 may be issued more than six years after the
20 date of the election, except that the time period may be extended to ten
21 years pursuant to an election conducted pursuant to section 15-491,
22 subsection A, paragraph 6 and except that class A bonds shall not be issued
23 after December 31, 1999. No bonds authorized to be issued by an election
24 held after November 24, 2009 may be issued more than ten years after the date
25 of the election.

26 F. Except as provided in section 15-491, subsection A, paragraph 3,
27 bond proceeds shall not be expended for items whose useful life is less than
28 the average life of the bonds issued, except that bond proceeds shall not be
29 expended for items whose useful life is less than five years.

30 G. A joint technical education district shall not spend class B bond
31 proceeds to construct or renovate a facility located on the campus of a
32 school in a school district that participates in the joint district unless
33 the facility is only used to provide career and technical education and is
34 available to all pupils who live within the joint technical education
35 district. If the facility is not owned by the joint technical education
36 district, an intergovernmental agreement or a written contract shall be
37 executed for ten years or the duration of the bonded indebtedness, whichever
38 is greater. The intergovernmental agreement or written contract shall
39 include provisions:

40 1. That preserve the usage of the facility renovated or constructed,
41 or both, only for career and technology programs operated by the joint
42 technical education district.

43 2. That include the process to be used by the participating district
44 to compensate the joint technical education district in the event that the
45 facility is no longer used only for career and technical education programs

1 offered by the joint technical education district during the life of the
2 bond.

3 H. A school district shall not authorize, issue or sell bonds pursuant
4 to this section if the school district has any existing indebtedness from
5 impact aid revenue bonds pursuant to chapter 16, article 8 of this title,
6 except for bonds issued to refund any bonds issued by the governing board.

7 I. FOR THE PURPOSES OF THIS SECTION, "FULL CASH VALUE" AND "NET
8 ASSESSED VALUE" HAVE THE SAME MEANINGS PRESCRIBED IN SECTION 42-11001.

9 Sec. 3. Section 35-451, Arizona Revised Statutes, is amended to read:

10 35-451. Local debt limit; increase in limitation; authority to
11 issue bonds; definitions

12 ~~A. The total assessed valuation of taxable property used as a base~~
13 ~~figure in determining the limitation on the amount of bonds that may be~~
14 ~~issued under article IX, section 8, Constitution of Arizona, shall not~~
15 ~~include the determination of valuation of tax exempt property.~~

16 ~~B.~~ A. The aggregate indebtedness of a county, city, town or similar
17 municipal corporation may be increased above six ~~per cent~~ PERCENT of the NET
18 ASSESSED value of the ~~taxable property~~ FULL CASH VALUE OF THE PROPERTY in
19 such A political subdivision only as provided in this article. ~~The value of~~
20 ~~such taxable property shall be ascertained as provided by article IX, section~~
21 ~~8, Constitution of Arizona.~~

22 ~~C.~~ B. A multi-county water conservation district may become indebted
23 and issue bonds in the manner provided in this article.

24 ~~D.~~ C. Bonds may be issued under ~~the provisions of~~ this article for
25 any lawful or necessary purpose.

26 D. FOR THE PURPOSES OF THIS SECTION, "FULL CASH VALUE" AND "NET
27 ASSESSED VALUE" HAVE THE SAME MEANINGS PRESCRIBED IN SECTION 42-11001.

28 Sec. 4. Section 35-503, Arizona Revised Statutes, is amended to read:

29 35-503. Calculation of debt limits

30 A. For purposes of calculating all debt limits pursuant to article IX,
31 section 8 or 8.1, Constitution of Arizona, the outstanding indebtedness of a
32 jurisdiction shall equal the total principal amount of all bonds outstanding
33 at the time of calculation. Bonds outstanding shall include the principal
34 amount of all bonds issued by the jurisdiction except principal that has been
35 paid or for which monies have been deposited into a dedicated fund for the
36 payment of the principal. The principal amount of a bond shall equal the par
37 amount of the bond exclusive of any premium or discount.

38 ~~B. The value of taxable property for the purposes of this section and~~
39 ~~article IX, section 8 or 8.1, Constitution of Arizona shall be the aggregate~~
40 ~~net assessed value of property within the jurisdiction used for the levy of~~
41 ~~secondary property taxes, as determined pursuant to title 42.~~

42 B. THE NET ASSESSED VALUE OF THE FULL CASH VALUE IS THE BASIS FOR
43 CALCULATING THE DEBT LIMITATIONS PRESCRIBED IN ARTICLE IX, SECTION 8 OR 8.1,
44 CONSTITUTION OF ARIZONA.