

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

HOUSE BILL 2551

AN ACT

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

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 15-481, Arizona Revised Statutes, is amended to
3 read:
4 15-481. Override election; budget increases; notice; ballot;
5 effect
6 A. If a proposed budget of a school district exceeds the aggregate
7 budget limit for the budget year, at least ninety days before the proposed
8 election the governing board shall order an override election to be held on
9 the first Tuesday following the first Monday in November as prescribed by
10 section 16-204, subsection ~~B, paragraph 1, subdivision (d)~~ F for the purpose
11 of presenting the proposed budget to the qualified electors of the school
12 district who by a majority of those voting either shall affirm or reject the
13 budget. At the same time as the order of the election, the governing board
14 shall publicly declare the deadline for submitting arguments, as set by the
15 county school superintendent pursuant to subsection B, paragraph 9 of this
16 section, to be submitted in the informational report and shall immediately
17 post the deadline in a prominent location on the district's website. In
18 addition, the governing board shall prepare an alternate budget that does not
19 include an increase in the budget of more than the amount permitted as
20 provided in section 15-905. If the qualified electors approve the proposed
21 budget, the governing board of the school district shall follow the
22 procedures prescribed in section 15-905 for adopting a budget that includes
23 the authorized increase. If the qualified electors disapprove the proposed
24 budget, the governing board shall follow the procedures prescribed in section
25 15-905 for adopting a budget that does not include the proposed increase or
26 the portion of the proposed increase that exceeds the amount authorized by a
27 previously approved budget increase as prescribed in subsection P of this
28 section.
29 B. The county school superintendent shall prepare an informational
30 report on the proposed increase in the budget and a sample ballot and, at
31 least forty days prior to the election, shall transmit the report and the
32 sample ballot to the governing board of the school district. The governing
33 board, ~~upon~~ ON receipt of the report and the ballot, shall mail or distribute
34 the report and the ballot to the households in which qualified electors
35 reside within the school district at least thirty-five days prior to the
36 election. Any distribution of material concerning the proposed increase in
37 the budget shall not be conducted by children enrolled in the school
38 district. The report shall contain the following information:
39 1. The date of the election.
40 2. The voter's polling place and the times it is open.
41 3. The proposed total increase in the budget that exceeds the amount
42 permitted pursuant to section 15-905.
43 4. The total amount of the current year's budget, the total amount of
44 the proposed budget and the total amount of the alternate budget.

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

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

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

13 8. The dollar amount and the purpose for which the proposed increase
14 in the budget is to be expended for the first year for which the budget
15 increase was adopted. The purpose statement shall only present factual
16 information in a neutral manner. Advocacy for the expenditures is strictly
17 limited to the arguments submitted pursuant to paragraph 9 of this
18 subsection.

19 9. At least two arguments, if submitted, but no more than ten
20 arguments for and two arguments, if submitted, but no more than ten arguments
21 against the proposed increase in the budget. The arguments shall be in a
22 form prescribed by the county school superintendent, and each argument shall
23 not exceed two hundred words. Arguments for the proposed increase in the
24 budget shall be provided in writing and signed by the governing board. If
25 submitted, additional arguments in favor of the proposed increase in the
26 budget shall be provided in writing and signed by those in favor. Arguments
27 against the proposed increase in the budget shall be provided in writing and
28 signed by those in opposition. The names of persons and entities submitting
29 written arguments shall be included in the report. The county school
30 superintendent shall review all factual statements contained in the written
31 arguments and correct any inaccurate statements of fact. ~~The superintendent~~
32 ~~shall not review and correct any portion of the written arguments that are~~
33 ~~identified as statements of the author's opinion.~~ **EACH PERSON WHO SUBMITS AN**
34 **ARGUMENT ON THE PERSON'S OWN BEHALF OR ON BEHALF OF AN ENTITY SHALL SIGN A**
35 **SWORN STATEMENT CONFIRMING THAT PERSON'S IDENTITY. IF THE COUNTY SCHOOL**
36 **SUPERINTENDENT DETERMINES THAT THE PERSON'S IDENTITY IS FALSE, THE COUNTY**
37 **SCHOOL SUPERINTENDENT IS AUTHORIZED TO REMOVE THE IMPROPER ARGUMENT FROM THE**
38 **INFORMATIONAL REPORT AFTER PROVIDING NOTICE TO THE PERSON WHO SUBMITTED THE**
39 **ARGUMENT AND MAY REPLACE IT WITH THE NEXT ARGUMENT SUBMITTED, IF ANY.** The
40 county school superintendent shall make the written arguments available to
41 the public as provided in title 39, chapter 1, article 2. A deadline for
42 submitting arguments to be included in the informational report shall be set
43 by the county school superintendent.

1 10. A statement that the alternate budget shall be adopted by the
2 governing board if the proposed budget is not adopted by the qualified
3 electors of the school district.

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

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

11 (b) An owner-occupied residence whose assessed valuation is one-half
12 of the assessed valuation of the residence in subdivision (a) of this
13 paragraph.

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

16 (d) A business whose assessed valuation is the average of the assessed
17 valuation of property classified as class one, as prescribed by section
18 42-12001, paragraphs 12 and 13 for the current year in the school district.

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

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

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

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

30 13. THE FOLLOWING STATEMENT:

31 THE _____ SCHOOL DISTRICT RECEIVED A TOTAL OF
32 \$_____ PER PUPIL IN REVENUES FROM ALL FUNDING SOURCES
33 (FEDERAL, STATE AND LOCAL) FOR ALL CAPITAL AND NONCAPITAL
34 EXPENDITURES FOR FISCAL YEAR 20__-20__, AS REPORTED IN VOLUME II
35 OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION'S ANNUAL REPORT OR
36 SUCCESSOR DOCUMENT FOR FISCAL YEAR 20__-20__, WHICH IS THE MOST
37 RECENT AVAILABLE VERSION OF THAT ANNUAL REPORT.

38 14. ANY ADDITIONAL PER PUPIL REVENUE OR PER PUPIL EXPENDITURE
39 INFORMATION THE GOVERNING BOARD CHOOSES TO PROVIDE.

40 C. For the purpose of this section, the school district may use its
41 staff, equipment, materials, buildings or other resources only to distribute
42 the informational report at the school district office or at public hearings
43 and to produce such information as required in subsection B of this section,
44 provided that nothing in this subsection shall preclude school districts from
45 holding or participating in any public hearings at which testimony is given

1 by at least one person for the proposed increase and one person against the
2 proposed increase. Any written information provided by the district
3 pertaining to the override election shall include financial information
4 showing the estimated first year tax rate for the proposed budget override
5 amount.

6 D. If any amount of the proposed increase will be funded by a levy of
7 taxes in the district, the election prescribed in subsection A of this
8 section shall be held on the first Tuesday following the first Monday in
9 November as prescribed by section 16-204, subsection ~~B, paragraph 1,~~
10 ~~subdivision (d)~~ F. If the proposed increase will be fully funded by revenues
11 from other than a levy of taxes, the elections prescribed in subsection A of
12 this section shall be held on any date prescribed by section 16-204. The
13 elections shall be conducted as nearly as practicable in the manner
14 prescribed in article 1 of this chapter, sections 15-422 through 15-424 and
15 section 15-426, relating to special elections, except that:

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

18 2. Ballots shall be counted pursuant to title 16, chapter 4,
19 article 10.

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

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

1 F. If the election is to exceed the revenue control limit and if the
2 proposed increase will be fully funded by revenues from other than a levy of
3 taxes ~~upon~~ ON the taxable property within the school district, the ballot
4 shall contain the words "budget increase, yes" and "budget increase, no", and
5 the voter shall signify the voter's desired choice. The ballot shall also
6 contain:

7 1. The amount of the proposed increase of the proposed budget over the
8 alternate budget.

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

12 3. The following statement:

13 Any budget increase authorized by this election shall be
14 entirely funded by this school district with revenues from other
15 than a levy of taxes on the taxable property within the school
16 district for the year for which adopted and for _____
17 subsequent years and shall not be realized from monies furnished
18 by the state.

19 G. Except as provided in subsection H of this section, the maximum
20 budget increase that may be requested and authorized as provided in
21 subsection E or F of this section or the combination of subsections E and F
22 of this section is fifteen ~~per-cent~~ PERCENT of the revenue control limit as
23 provided in section 15-947, subsection A for the budget year. If a school
24 district requests an override pursuant to section 15-482 or to continue with
25 a budget override pursuant to section 15-482 for pupils in kindergarten
26 programs and grades one through three that was authorized before December 31,
27 2008, the maximum budget increase that may be requested and authorized as
28 provided in subsection E or F of this section or the combination of
29 subsections E and F of this section is ten ~~per-cent~~ PERCENT of the revenue
30 control limit as provided in section 15-947, subsection A for the budget
31 year.

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

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

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

1 (i)

2	Small School	Support Level Weight	Phase Down
3	Student	for Small Isolated	Reduction
4	<u>Count</u>	<u>School Districts</u>	<u>Factor</u>
5	- <u>125</u>	x 1.358 + (0.0005 x	x \$ <u> </u> = \$ <u> </u>
6		(500 - Student Count))	
7			Small Isolated
8	Phase Down	Phase Down	School District
9	<u>Base</u>	<u>Reduction Factor</u>	<u>Elementary Limit</u>
10	\$150,000 -	\$ <u> </u>	= \$ <u> </u>

11 (ii)

12	Small School	Support Level Weight	Phase Down
13	Student	for Small	Reduction
14	<u>Count</u>	<u>School Districts</u>	<u>Factor</u>
15	- <u>125</u>	x 1.278 + (0.0003 x	x \$ <u> </u> = \$ <u> </u>
16		(500 - Student Count))	
17			Small
18	Phase Down	Phase Down	School District
19	<u>Base</u>	<u>Reduction Factor</u>	<u>Elementary Limit</u>
20	\$150,000 -	\$ <u> </u>	= \$ <u> </u>

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

25 (i)

26	Small School	Support Level Weight	Phase Down
27	Student	for Small Isolated	Reduction
28	<u>Count</u>	<u>School Districts</u>	<u>Factor</u>
29	- <u>100</u>	x 1.468 + (0.0005 x	x \$ <u> </u> = \$ <u> </u>
30		(500 - Student Count))	
31			Small Isolated
32	Phase Down	Phase Down	District
33	<u>Base</u>	<u>Reduction Factor</u>	<u>Secondary Limit</u>
34	\$350,000 -	\$ <u> </u>	= \$ <u> </u>

35 (ii)

36	Small School	Support Level Weight	Phase Down
37	Student	for Small	Reduction
38	<u>Count</u>	<u>School Districts</u>	<u>Factor</u>
39	- <u>100</u>	x 1.398 + (0.0004 x	x \$ <u> </u> = \$ <u> </u>
40		(500 - Student Count))	
41			Small
42	Phase Down	Phase Down	School District
43	<u>Base</u>	<u>Reduction Factor</u>	<u>Secondary Limit</u>
44	\$350,000 -	\$ <u> </u>	= \$ <u> </u>

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

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

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

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

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

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

37 Any budget increase authorized by this election shall be
38 entirely funded by a levy of taxes on the taxable property
39 within this school district for the year for which adopted and
40 for ____ subsequent years, shall not be realized from monies
41 furnished by the state and shall not be subject to the
42 limitation on taxes specified in article IX, section 18,
43 Constitution of Arizona. Based on the current net assessed
44 valuation used for secondary property tax purposes, to fund the
45 proposed increase in the school district's budget which will be

1 funded by a levy of taxes upon the taxable property within this
2 school district would require an estimated tax rate of
3 _____ dollar per one hundred dollars of net assessed
4 valuation used for secondary property tax purposes and is in
5 addition to the school district's tax rate that will be levied
6 to fund the school district's revenue control limit allowed by
7 law.

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

18 Any budget increase authorized by this election shall be
19 entirely funded by this school district with revenues from other
20 than a levy of taxes on the taxable property within the school
21 district for the year for which adopted and for _____ subsequent
22 years and shall not be realized from monies furnished by the
23 state.

24 K. The maximum budget increase that may be requested and authorized as
25 provided in subsection I or J of this section, or a combination of both of
26 these subsections, is five ~~per-cent~~ PERCENT of the revenue control limit as
27 provided in section 15-947, subsection A for the budget year. For a common
28 school district not within a high school district or a common school district
29 within a high school district that offers instruction in high school subjects
30 as provided in section 15-447, five ~~per-cent~~ PERCENT of the revenue control
31 limit means five ~~per-cent~~ PERCENT of the revenue control limit attributable
32 to the weighted student count in preschool programs for children with
33 disabilities, kindergarten programs and grades one through eight as provided
34 in section 15-971, subsection B. For a unified school district, five ~~per~~
35 ~~cent~~ PERCENT of the revenue control limit means five ~~per-cent~~ PERCENT of the
36 revenue control limit attributable to the weighted student count in preschool
37 programs for children with disabilities, kindergarten programs and grades one
38 through twelve. For a union high school district, five ~~per-cent~~ PERCENT of
39 the revenue control limit means five ~~per-cent~~ PERCENT of the revenue control
40 limit attributable to the weighted student count in grades nine through
41 twelve.

42 L. If the election is to exceed district additional assistance and if
43 the proposed increase will be fully funded by a levy of taxes ~~upon~~ ON the
44 taxable property within the school district, the ballot shall contain the
45 words "budget increase, yes" and "budget increase, no", and the voter shall

1 signify the voter's desired choice. An election held pursuant to this
2 subsection shall be held on the first Tuesday after the first Monday of
3 November. The ballot shall also contain the amount of the proposed increase
4 of the proposed budget over the alternate budget and the following statement:

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

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

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

34 N. If the election is to exceed a combination of the revenue control
35 limit as provided in subsection E or F of this section, the revenue control
36 limit as provided in subsection I or J of this section or district additional
37 assistance as provided in subsection L or M of this section, the ballot shall
38 be prepared so that the voters may vote on each proposed increase separately
39 and shall contain statements required in the same manner as if each proposed
40 increase were submitted separately.

41 O. If the election provides for a levy of taxes on the taxable
42 property within the school district, at least thirty days prior to the
43 election, the department of revenue shall provide the school district
44 governing board and the county school superintendent with the current net
45 assessed valuation of the school district. The governing board and the

1 county school superintendent shall use the current net assessed valuation of
2 the school district to translate the amount of the proposed dollar increase
3 in the budget of the school district over that allowed by law into a tax rate
4 figure.

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

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

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

39 Q. If the voters in a school district vote to adopt a budget in excess
40 of the revenue control limit as provided in subsection I or J of this
41 section, any additional increase shall be included in the aggregate budget
42 limit for each of the years authorized. Any additional increase shall be
43 excluded from the determination of equalization assistance. The school
44 district governing board, however, may levy on the net assessed valuation
45 used for secondary property tax purposes of the property in the school

1 district the additional increase if adopted under subsection I of this
2 section for the period of one year, two years or five through seven years as
3 authorized. If an additional increase is approved as provided in subsection
4 J of this section, the increase may only be budgeted and expended if
5 sufficient monies are available in the maintenance and operation fund of the
6 school district. If a budget increase was previously authorized and will be
7 in effect for the budget year or budget year and subsequent years, as
8 provided in subsection I or J of this section, the governing board may
9 request a new budget increase as provided in the same subsection under which
10 the prior budget increase was adopted that does not exceed the maximum amount
11 permitted under subsection K of this section. If the voters in the school
12 district authorize the new budget increase amount, the existing budget
13 increase no longer is in effect. If the voters in the school district do not
14 authorize the budget increase amount, the existing budget increase remains in
15 effect for the time period for which it was authorized. The maximum
16 additional increase authorized as provided in subsection I or J of this
17 section and the additional increase that is included in the aggregate budget
18 limit is based on a percentage of a school district's revenue control limit
19 in future years, if the budget increase is authorized for more than one year.
20 If the additional increase:

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

23 2. Is for five years or more, the proposed increase is equal to the
24 initial proposed percentage increase in the following years of the proposed
25 increase, except that in the next to last year it is two-thirds of the
26 initial proposed percentage increase and it is one-third of the initial
27 proposed percentage increase in the last year of the proposed increase.

28 R. If the voters in a school district vote to adopt a budget in excess
29 of district additional assistance as provided in subsection L of this
30 section, any additional increase shall be included in the aggregate budget
31 limit for each of the years authorized. The additional increase shall be
32 excluded from the determination of equalization assistance. The school
33 district governing board, however, may levy on the net assessed valuation
34 used for secondary property tax purposes of the property in the school
35 district the additional increase for the period authorized but not to exceed
36 ten years. For overrides approved by a vote of the qualified electors of the
37 school district at an election held from and after October 31, 1998, the
38 period of the additional increase prescribed in this subsection shall not
39 exceed seven years for any capital override election.

40 S. If the voters in a school district vote to adopt a budget in excess
41 of district additional assistance as provided in subsection M of this
42 section, any additional increase shall be included in the aggregate budget
43 limit for each of the years authorized. The additional increase shall be
44 excluded from the determination of equalization assistance. The school
45 district governing board may only use revenues derived from the school

1 district's prior year's maintenance and operation fund ending cash balance
2 and capital outlay fund ending cash balance to fund the additional increase
3 for the period authorized but not to exceed ten years. For overrides
4 approved by a vote of the qualified electors of the school district at an
5 election held from and after October 31, 1998, the period of the additional
6 increase prescribed in this subsection shall not exceed seven years for any
7 capital override election.

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

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

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

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

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

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

31 _____ school district is proposing to increase its
32 budget by \$_____ to fund capital improvements over and
33 above those funded by the state. Under the students first
34 capital funding system, _____ school district is entitled to
35 state monies for new construction and renovation of school
36 buildings in accordance with state law.

37 2. The ballot shall contain the words "budget increase, yes" and
38 "budget increase, no", and the voter shall signify the voter's desired
39 choice.

40 3. At least eighty-five days before the election, the school district
41 shall submit proposed ballot language to the director of the Arizona
42 legislative council. The director of the Arizona legislative council shall
43 review the proposed ballot language to determine whether the proposed ballot
44 language complies with this section. If the director of the Arizona
45 legislative council determines that the proposed ballot language does not

1 comply with this section, the director, within ten calendar days of the
2 receipt of the proposed ballot language, shall notify the school district of
3 the director's objections and the school district shall resubmit revised
4 ballot language to the director for approval.

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

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

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

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

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

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

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

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

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

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

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

1 to fund the school district's revenue control limit allowed by
2 law.

3 Sec. 2. Section 15-491, Arizona Revised Statutes, is amended to read:
4 15-491. Elections on school property; exceptions

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

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

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

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

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

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

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

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

1 the joint common school district. The certification of election results
2 required by section 15-493 shall be made to the board of supervisors of the
3 jurisdictional county.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

39 (d) THE FOLLOWING STATEMENT:

40 THE _____ SCHOOL DISTRICT RECEIVED A TOTAL OF
41 \$_____ PER PUPIL IN REVENUES FROM ALL FUNDING SOURCES
42 (FEDERAL, STATE AND LOCAL) FOR ALL CAPITAL AND NONCAPITAL
43 EXPENDITURES FOR FISCAL YEAR 20__-20__, AS REPORTED IN VOLUME II
44 OF THE SUPERINTENDENT OF PUBLIC INSTRUCTION'S ANNUAL REPORT OR

1 SUCCESSOR DOCUMENT FOR FISCAL YEAR 20__-20__, WHICH IS THE MOST
2 RECENT AVAILABLE VERSION OF THAT ANNUAL REPORT.

3 (e) ANY ADDITIONAL PER PUPIL REVENUE OR PER PUPIL EXPENDITURE
4 INFORMATION THE GOVERNING BOARD CHOOSES TO PROVIDE.

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

7 1. The ballot shall include the following statement:

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

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

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

19 3. At least eighty-five days before the election, the school district
20 shall submit proposed ballot language to the director of the legislative
21 council. The director of the legislative council shall review the proposed
22 ballot language to determine whether the proposed ballot language complies
23 with this section. If the director of the legislative council determines
24 that the proposed ballot language does not comply with this section, the
25 director, within ten calendar days of the receipt of the proposed ballot
26 language, shall notify the school district of the director's objections and
27 the school district shall resubmit revised ballot language to the director
28 for approval.

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

34 (a) The date of the election.

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

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

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

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

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

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

8 J. If the voters approve the issuance of school district class B bonds
9 or impact aid revenue bonds, the school district shall not use the bond
10 proceeds for any purposes other than the proposed capital improvements listed
11 in the publicity pamphlet, except that up to ten ~~per-cent~~ PERCENT of the bond
12 proceeds may be used for general capital expenses, including cost overruns of
13 proposed capital improvements. The proposed capital improvements may be
14 changed by a subsequent election as provided by this section.

15 K. Each school district that issues bonds under this section is
16 required to hold a public meeting each year between September 1 and October
17 31, until the bond proceeds are spent, at which an update of the progress of
18 capital improvements financed through bonding is discussed and at which the
19 public is permitted an opportunity to comment. At a minimum, the update
20 shall include a comparison of the current status and the original projections
21 on the construction of capital improvements, the costs of capital
22 improvements and the costs of capital improvements in progress or completed
23 since the prior meeting and the future capital bonding plans of the school
24 district. The school district shall include in the public meeting a
25 discussion of the school district's use of state capital aid and
26 voter-approved capital overrides in funding capital improvements, if any.

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

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

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

36 (a) The date of the election.

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

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

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

44 (e) A complete list of each capital improvement that was presented in
45 the publicity pamphlet when the bonds were initially approved and that is

1 proposed to be eliminated or to have its cost reduced, and the proposed cost
2 of each improvement, including a separate aggregation of capital improvements
3 for administrative purposes as defined by the school facilities board.

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

6 3. The ballot shall contain the words "change capital improvements,
7 yes" and "change capital improvements, no", and the voter shall signify the
8 voter's desired choice.

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

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

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

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

20 (a) The date of the election.

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

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

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

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