

REFERENCE TITLE: school districts; property; housing developments

State of Arizona
Senate
Fifty-seventh Legislature
Second Regular Session
2026

SB 1080

Introduced by
Senator Kavanagh

AN ACT

AMENDING SECTION 15-342, ARIZONA REVISED STATUTES; RELATING TO SCHOOL DISTRICT GOVERNING BOARDS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:
2 Section 1. Section 15-342, Arizona Revised Statutes, is amended to
3 read:

4 **15-342. Discretionary powers**

5 The governing board **OF A SCHOOL DISTRICT** may:

6 1. Expel pupils for misconduct.

7 2. Exclude from grades one through eight children **WHO ARE** under six
8 years of age.

9 3. Make such separation of groups of pupils as ~~±~~ **THE GOVERNING**
10 **BOARD** deems advisable.

11 4. Maintain such special schools during vacation as deemed
12 necessary for the benefit of the pupils of the school district.

13 5. Allow a superintendent or principal or representatives of the
14 superintendent or principal to travel for a school purpose, as determined
15 by a majority vote of the board. The board may allow members and
16 members-elect of the board to travel within or without the school district
17 for a school purpose and receive reimbursement. Any expenditure for
18 travel and subsistence pursuant to this paragraph shall be as provided in
19 title 38, chapter 4, article 2. The designated post of duty referred to
20 in section 38-621 shall be construed, for school district governing board
21 members, to be the member's actual place of residence, as opposed to the
22 school district office or the school district boundaries. Such
23 expenditures shall be a charge against the budgeted school district funds.
24 The governing board of a school district shall prescribe procedures and
25 amounts for reimbursement of lodging and subsistence expenses.
26 Reimbursement amounts shall not exceed the maximum amounts established
27 pursuant to section 38-624, subsection C.

28 6. Construct or provide in rural districts housing facilities for
29 teachers and other school employees that the board determines are
30 necessary to operate the school.

31 7. Sell or lease to the state, a county, a city, another school
32 district or a tribal government agency any school property required for a
33 public purpose if the sale or lease of the property will not affect the
34 normal operations of a school within the school district.

35 8. Annually budget and spend monies for membership in an
36 association of school districts within this state.

37 9. Enter into leases or lease-purchase agreements for school
38 buildings or grounds, or both, as lessor or as lessee, for periods of less
39 than twenty years subject to voter approval for construction of school
40 buildings as prescribed in section 15-341, subsection A, paragraph 7.

41 10. Subject to title 41, chapter 56, sell school sites or enter
42 into leases or lease-purchase agreements for school buildings and grounds,
43 as lessor or as lessee, for a period of twenty years or more, but not to
44 exceed ninety-nine years, if authorized by a vote of the school district
45 electors in an election called by the governing board as provided in

1 section 15-491, except that authorization by the school district electors
2 in an election is not required if one of the following requirements is
3 met:

4 (a) The market value of the school property is less than \$50,000 or
5 the property is procured through a renewable energy development agreement,
6 an energy performance contract, which among other items includes a
7 renewable energy power service agreement, or a simplified energy
8 performance contract pursuant to section 15-213.01.

9 (b) The buildings and sites are completely funded with monies
10 distributed by the ~~school facilities~~ division **OF SCHOOL FACILITIES** within
11 the department of administration or at the direction of the school
12 facilities oversight board, or its predecessor.

13 (c) The transaction involves the sale of improved or unimproved
14 property pursuant to an agreement with the school facilities oversight
15 board in which the school district agrees to sell the improved or
16 unimproved property and transfer the proceeds of the sale to the school
17 facilities oversight board in exchange for monies from the school
18 facilities oversight board for the acquisition of a more suitable school
19 site. For a sale of property acquired by a school district before July 9,
20 1998, a school district shall transfer to the school facilities oversight
21 board that portion of the proceeds that equals the cost of the acquisition
22 of a more suitable school site. If there are any remaining proceeds after
23 the transfer of monies to the school facilities oversight board, a school
24 district shall only use those remaining proceeds for future land purchases
25 approved by the school facilities oversight board, or for capital
26 improvements not funded by the school facilities oversight board for any
27 existing or future facility.

28 (d) The transaction involves the sale of improved or unimproved
29 property pursuant to a formally adopted plan and the school district uses
30 the proceeds of this sale to purchase other property that will be used for
31 similar purposes as the property that was originally sold if the sale
32 proceeds of the improved or unimproved property are used within two years
33 after the date of the original sale to purchase the replacement
34 property. If the sale proceeds of the improved or unimproved property are
35 not used within two years after the date of the original sale to purchase
36 replacement property, the sale proceeds shall be used toward paying any
37 outstanding bonded indebtedness. If any sale proceeds remain after paying
38 for outstanding bonded indebtedness, or if the district has no outstanding
39 bonded indebtedness, sale proceeds shall be used to reduce the district's
40 primary tax levy. A school district shall not use this subdivision unless
41 all of the following conditions exist:

42 (i) The school district is the sole owner of the improved or
43 unimproved property that the school district intends to sell.

4 (iii) The transaction does not violate section 15-341,
5 subsection G.

6 (e) THE TRANSACTION INVOLVES THE SALE OR LEASE OF SCHOOL BUILDINGS
7 OR LAND, OR BOTH, PURSUANT TO A PUBLIC-PRIVATE PARTNERSHIP AGREEMENT THAT
8 THE SCHOOL DISTRICT GOVERNING BOARD ENTERS PURSUANT TO PARAGRAPH 40 OF
9 THIS SECTION.

10 11. Review the decision of a teacher to promote a pupil to a grade
11 or retain a pupil in a grade in a common school or to pass or fail a pupil
12 in a course in high school. The pupil has the burden of proof to overturn
13 the decision of a teacher to promote, retain, pass or fail the pupil. In
14 order to sustain the burden of proof, the pupil shall demonstrate to the
15 governing board that the pupil has mastered the academic standards adopted
16 by the state board of education pursuant to sections 15-701 and 15-701.01.
17 If the governing board overturns the decision of a teacher pursuant to
18 this paragraph, the governing board shall adopt a written finding that the
19 pupil has mastered the academic standards. Notwithstanding title 38,
20 chapter 3, article 3.1, the governing board shall review the decision of a
21 teacher to promote a pupil to a grade or retain a pupil in a grade in a
22 common school or to pass or fail a pupil in a course in high school in
23 executive session unless a parent or legal guardian of the pupil or the
24 pupil, if emancipated, disagrees that the review should be conducted in
25 executive session and then the review shall be conducted in an open
26 meeting. If the review is conducted in executive session, the board shall
27 notify the teacher of the date, time and place of the review and shall
28 allow the teacher to be present at the review. If the teacher is not
29 present at the review, the board shall consult with the teacher before
30 making its decision. Any request, including the written request as
31 provided in section 15-341, the written evidence presented at the review
32 and the written record of the review, including the decision of the
33 governing board to accept or reject the teacher's decision, shall be
34 retained by the governing board as part of its permanent records.

35 12. Provide transportation or site transportation loading and
36 unloading areas for any child or children if deemed ~~FOR~~ IN the best
37 interest of the district, whether within or without the district, county
38 or state.

39 13. Enter into intergovernmental agreements and contracts with
40 school districts or other governing bodies as provided in section 11-952.
41 Intergovernmental agreements and contracts between school districts or
42 between a school district and other governing bodies as provided in
43 section 11-952 are exempt from competitive bidding under the procurement
44 rules adopted by the state board of education pursuant to section 15-213.

1 14. Include in the curricula ~~it~~ THE GOVERNING BOARD prescribes for
2 high schools in the school district career and technical education,
3 vocational education and technology education programs and career and
4 technical, vocational and technology program improvement services for the
5 high schools, subject to approval by the state board of education. The
6 governing board may contract for the provision of career and technical,
7 vocational and technology education as provided in section 15-789.

8 15. Suspend a teacher or administrator from the teacher's or
9 administrator's duties without pay for a period of time of not ~~to exceed~~
10 ~~MORE THAN~~ ten school days, if the board determines that suspension is
11 warranted pursuant to section 15-341, subsection A, paragraph 21 or 22.

12 16. Dedicate school property within an incorporated city or town to
13 that city or town or within a county to that county for use as a public
14 right-of-way if both of the following apply:

15 (a) Pursuant to an ordinance adopted by the city, town or county,
16 there will be conferred on the school district privileges and benefits
17 that may include benefits related to zoning.

18 (b) The dedication will not affect the normal operation of any
19 school within the district.

20 17. Enter into option agreements for the purchase of school sites.

21 18. Donate surplus or outdated learning materials, educational
22 equipment and furnishings to nonprofit community organizations if the
23 governing board determines that the anticipated cost of selling the
24 learning materials, educational equipment or furnishings equals or exceeds
25 the estimated market value of the materials.

26 19. Prescribe policies to assess reasonable fees for students to
27 use district-provided parking facilities. The fees are to be applied by
28 the district solely against costs incurred in operating or securing the
29 parking facilities. Any policy adopted by the governing board pursuant to
30 this paragraph shall include a fee waiver provision in appropriate cases
31 of need or economic hardship.

32 20. Establish alternative education programs that are consistent
33 with the laws of this state to educate pupils, including pupils who have
34 been reassigned pursuant to section 15-841, subsection E or F.

35 21. Require a period of silence to be observed at the commencement
36 of the first class of the day in the schools. If a governing board
37 chooses to require a period of silence to be observed, the teacher in
38 charge of the room in which the first class is held shall announce that a
39 period of silence not to exceed one minute in duration will be observed
40 for meditation, and during that time no activities shall take place and
41 silence shall be maintained.

42 22. Require students to wear uniforms.

43 23. Exchange unimproved property or improved property, including
44 school sites, if the governing board determines that the improved property
45 is unnecessary for the continued operation of the school district without

1 requesting authorization by a vote of the school district electors and if
2 the governing board determines that the exchange is necessary to protect
3 the health, safety or welfare of pupils or if the governing board
4 determines that the exchange is based on sound business principles for
5 either:

6 (a) Unimproved or improved property of equal or greater value.
7 (b) Unimproved property that the owner contracts to improve if the
8 value of the property ultimately received by the school district is of
9 equal or greater value.

10 24. For common and high school pupils, assess reasonable fees for
11 optional extracurricular activities and programs conducted when the common
12 or high school is not in session, except that fees shall not be charged
13 for pupils' access to or use of computers or related materials. For high
14 school pupils, the governing board may assess reasonable fees for fine
15 arts and vocational education courses and for optional services, equipment
16 and materials offered to the pupils beyond those required to successfully
17 complete the basic requirements of any other course, except that fees
18 shall not be charged for pupils' access to or use of computers or related
19 materials. Fees assessed pursuant to this paragraph shall be adopted at a
20 public meeting after notice has been given to all parents of pupils
21 enrolled at schools in the district and shall not exceed the actual costs
22 of the activities, programs, services, equipment or materials. The
23 governing board shall authorize principals to waive the assessment of all
24 or part of a fee assessed pursuant to this paragraph if it creates an
25 economic hardship for a pupil. For the purposes of this paragraph,
26 "extracurricular activity" means any optional, noncredit, educational or
27 recreational activity that supplements the education program of the
28 school, whether offered before, during or after regular school hours.

29 25. Notwithstanding section 15-341, subsection A, paragraphs 7 and
30 9, construct school buildings and purchase or lease school sites, without
31 a vote of the school district electors, if the buildings and sites are
32 totally funded from one or more of the following:

33 (a) Monies in the unrestricted capital outlay fund, except that the
34 estimated cost shall not exceed \$250,000 for a district that uses section
35 15-949.

36 (b) Monies distributed at the direction of the school facilities
37 oversight board established by section 41-5701.02 or by the ~~school~~
38 ~~facilities~~ division OF SCHOOL FACILITIES within the department of
39 administration pursuant to title 41, chapter 56.

40 (c) Monies specifically donated for the purpose of constructing
41 school buildings.

42 This paragraph does not eliminate the requirement for an election to raise
43 revenues for a capital outlay override pursuant to section 15-481 or a
44 bond election pursuant to section 15-491.

1 26. Conduct a background investigation that includes a fingerprint
2 check conducted pursuant to section 41-1750, subsection G for certificated
3 personnel and personnel who are not paid employees of the school district,
4 as a condition of employment. A school district may release the results
5 of a background check to another school district for employment purposes.
6 The school district may charge the costs of fingerprint checks to its
7 fingerprinted employee, except that the school district may not charge the
8 costs of fingerprint checks for personnel who are not paid employees of
9 the school district.

10 27. Unless otherwise prohibited by law, sell advertising as
11 follows:

12 (a) Advertisements shall be age appropriate and not promote any
13 substance that is illegal for minors such as alcohol, tobacco and drugs or
14 gambling. Advertisements shall comply with the state sex education policy
15 of abstinence.

16 (b) Advertising approved by the governing board for the exterior of
17 school buses may appear only on the sides of the bus in the following
18 areas:

19 (i) The signs shall be below the seat level rub rail and not extend
20 above the bottom of the side windows.

21 (ii) The signs shall be at least three inches from any required
22 lettering, lamp, wheel well or reflector behind the service door or stop
23 signal arm.

24 (iii) The signs shall not extend from the body of the bus so as to
25 allow a handhold or present a danger to pedestrians.

26 (iv) The signs shall not interfere with the operation of any door
27 or window.

28 (v) The signs shall not be placed on any emergency doors.

29 (c) The school district shall establish an advertisement fund that
30 is composed of revenues from the sale of advertising. The monies in an
31 advertisement fund are not subject to reversion.

32 28. Assess reasonable damage deposits to pupils in grades seven
33 through twelve for using textbooks, musical instruments, band uniforms or
34 other equipment required for academic courses. The governing board shall
35 adopt policies on any damage deposits assessed pursuant to this paragraph
36 at a public meeting called for this purpose after providing notice to all
37 parents of pupils in grades seven through twelve in the school district.
38 Principals of individual schools within the district may waive the damage
39 deposit requirement for any textbook or other item if the payment of the
40 damage deposit would create an economic hardship for the pupil. The
41 school district shall return the full amount of the damage deposit for any
42 textbook or other item if the pupil returns the textbook or other item in
43 reasonably good condition within the time period prescribed by the
44 governing board. For the purposes of this paragraph, "in reasonably good
45 condition" means the textbook or other item is in the same or a similar

1 condition as it was when the pupil received it, plus ordinary wear and
2 tear.

3 29. Notwithstanding section 15-1105, ~~EXPEND~~ SPEND surplus monies in
4 the civic center school fund for maintenance and operations or
5 unrestricted capital outlay if sufficient monies are available in the fund
6 after meeting the needs of programs established pursuant to section
7 15-1105.

8 30. Notwithstanding section 15-1143, spend surplus monies in the
9 community school program fund for maintenance and operations or
10 unrestricted capital outlay if sufficient monies are available in the fund
11 after meeting the needs of programs established pursuant to section
12 15-1142.

13 31. Adopt guidelines to standardize the format of the school report
14 cards required by section 15-746 for schools within the district.

15 32. Adopt policies that require parental notification when a law
16 enforcement officer interviews a pupil on school grounds. Policies
17 adopted pursuant to this paragraph shall not impede a peace officer from
18 performing the peace officer's duties. If the school district governing
19 board adopts a policy that requires parental notification:

20 (a) The policy may provide reasonable exceptions to the parental
21 notification requirement.

22 (b) The policy shall set forth whether and under what circumstances
23 a parent may be present when a law enforcement officer interviews the
24 pupil, including reasonable exceptions to the circumstances under which a
25 parent may be present when a law enforcement officer interviews the pupil,
26 and shall specify a reasonable maximum time after a parent is notified
27 that an interview of a pupil by a law enforcement officer may be delayed
28 to allow the parent to be present.

29 33. Enter into voluntary partnerships with any party to finance
30 with monies other than school district monies and cooperatively design
31 school facilities that comply with the adequacy standards prescribed in
32 section 41-5711 and the square footage per pupil requirements pursuant to
33 section 41-5741, subsection D, paragraph 3, subdivision (b). The design
34 plans and location of any such school facility shall be submitted to the
35 school facilities oversight board for approval pursuant to section
36 41-5741, subsection 0. If the school facilities oversight board approves
37 the design plans and location of any such school facility, the party in
38 partnership with the school district may cause to be constructed and the
39 district may begin operating the school facility before monies are
40 distributed at the direction of the school facilities oversight board
41 pursuant to section 41-5741. Monies distributed from the new school
42 facilities fund to a school district in a partnership with another party
43 to finance and design the school facility shall be paid to the school
44 district pursuant to section 41-5741. The school district shall reimburse
45 the party in partnership with the school district from the monies paid to

1 the school district pursuant to section 41-5741, in accordance with the
2 voluntary partnership agreement. Before the school facilities oversight
3 board directs the distribution of any monies pursuant to this subsection,
4 the school district shall demonstrate to the school facilities oversight
5 board that the facilities to be funded pursuant to section 41-5741,
6 subsection 0 meet the minimum adequacy standards prescribed in section
7 41-5711. If the cost to construct the school facility exceeds the amount
8 that the school district receives from the new school facilities fund, the
9 partnership agreement between the school district and the other party
10 shall specify that, except as otherwise provided by the other party, any
11 such excess costs shall be the responsibility of the school district. The
12 school district governing board shall adopt a resolution in a public
13 meeting that an analysis has been conducted on the prospective effects of
14 the decision to operate a new school with existing monies from the school
15 district's maintenance and operations budget and how this decision may
16 affect other schools in the school district. If a school district
17 acquires land by donation at an appropriate school site approved by the
18 school facilities oversight board and a school facility is financed and
19 built on the land pursuant to this paragraph, the school facilities
20 oversight board shall direct the distribution of an amount equal to twenty
21 percent of the fair market value of the land that can be used for academic
22 purposes. The school district shall place the monies in the unrestricted
23 capital outlay fund and increase the unrestricted capital budget limit by
24 the amount of the monies placed in the fund. Monies distributed under
25 this paragraph shall be distributed from the new school facilities fund
26 pursuant to section 41-5741. If a school district acquires land by
27 donation at an appropriate school site approved by the school facilities
28 oversight board and a school facility is financed and built on the land
29 pursuant to this paragraph, the school district shall not receive
30 monies for the donation of real property pursuant to section 41-5741,
31 subsection F. It is unlawful for:

32 (a) A county, city or town to require as a condition of any land
33 use approval that a landowner or landowners that entered into a
34 partnership pursuant to this paragraph provide any contribution, donation
35 or gift, other than a site donation, to a school district. This
36 subdivision only applies to the property in the voluntary partnership
37 agreement pursuant to this paragraph.

38 (b) A county, city or town to require as a condition of any land
39 use approval that the landowner or landowners located within the
40 geographic boundaries of the school subject to the voluntary partnership
41 pursuant to this paragraph provide any donation or gift to the school
42 district except as provided in the voluntary partnership agreement
43 pursuant to this paragraph.

4 (d) A school district to enter into an agreement pursuant to this
5 paragraph with any party other than a master planned community party. Any
6 land area consisting of at least three hundred twenty acres that is the
7 subject of a development agreement with a county, city or town entered
8 into pursuant to section 9-500.05 or 11-1101 shall be deemed to be a
9 master planned community. For the purposes of this subdivision, "master
10 planned community" means a land area consisting of at least three hundred
11 twenty acres, which may be noncontiguous, that is the subject of a zoning
12 ordinance approved by the governing body of the county, city or town in
13 which the land is located that establishes the use of the land area as a
14 planned area development or district, planned community development or
15 district, planned unit development or district or other land use category
16 or district that is recognized in the local ordinance of such county, city
17 or town and that specifies the use of such land is for a master planned
18 development.

19 34. Enter into an intergovernmental agreement with a presiding
20 judge of the juvenile court to implement a law-related education program
21 as defined in section 15-154. The presiding judge of the juvenile court
22 may assign juvenile probation officers to participate in a law-related
23 education program in any school district in the county. The cost of
24 juvenile probation officers who participate in the program implemented
25 pursuant to this paragraph shall be funded by the school district.

35. Offer to sell outdated learning materials, educational equipment or furnishings at a posted price commensurate with the value of the items to pupils who are currently enrolled in that school district before those materials are offered for public sale.

30 36. If the school district is a small school district as defined in
31 section 15-901, and if allowed by federal law, opt out of federal grant
32 opportunities if the governing board determines that the federal
33 requirements impose unduly burdensome reporting requirements.

34 37. Prescribe and enforce policies and procedures for the emergency
35 administration of inhalers by trained employees of the school district and
36 nurses who are under contract with the school district pursuant to section
37 15-158.

38 38. Develop policies and procedures to allow principals to budget
39 for or assist with budgeting federal, state and local monies.

40 39. Subject to article IX, section 7, Constitution of Arizona, the
41 laws pertaining to travel and subsistence, gifts, grants, including
42 federal grants, or devises and policies adopted by the department of
43 education, provide food and beverages at school district events, including
44 official school functions and trainings.

1 40. ENTER INTO A PUBLIC-PRIVATE PARTNERSHIP AGREEMENT FOR THE SALE
2 OR LEASE OF SCHOOL BUILDINGS OR LAND THAT IS OWNED BY THE SCHOOL DISTRICT
3 TO PROVIDE FOR THE PRIVATE DEVELOPMENT OF AFFORDABLE HOUSING FOR CRITICAL
4 PUBLIC WORKFORCE SECTORS, INCLUDING FIREFIGHTERS, PEACE OFFICERS,
5 EMERGENCY MEDICAL SERVICES PERSONNEL, HOSPITAL EMPLOYEES, HEALTH CARE
6 EMPLOYEES, CHILDCARE WORKERS, DIRECT CARE WORKERS, TEACHERS, SCHOOL
7 EMPLOYEES AND SCHOOL DISTRICT EMPLOYEES. AN AGREEMENT ENTERED PURSUANT TO
8 THIS PARAGRAPH MAY INCLUDE THE RECONSTRUCTION OR DEMOLITION OF VACANT
9 SCHOOL BUILDINGS. BEFORE ENTERING INTO AN AGREEMENT PURSUANT TO THIS
10 PARAGRAPH, THE GOVERNING BOARD SHALL DO ALL OF THE FOLLOWING:

11 (a) ADOPT A RESOLUTION IN A PUBLIC MEETING THAT REFERENCES AND
12 ATTACHES AN INDEPENDENT ANALYSIS OF THE FAIR-MARKET VALUATION OF THE
13 PROPERTY AND THE ECONOMIC AND COMMUNITY IMPACT OF THE PROPOSED DEVELOPMENT
14 PROJECT.

15 (b) HOLD AT LEAST ONE SPECIAL PUBLIC MEETING TO CONSIDER COMMUNITY
16 INPUT ON THE PROPOSED AGREEMENT. THE BOARD SHALL:

17 (i) ALLOW MEMBERS OF THE PUBLIC TO ENGAGE IN THE MEETING IN-PERSON
18 AND THROUGH AT LEAST ONE FORM OF ELECTRONIC COMMUNICATION.

19 (ii) ACCEPT PUBLIC COMMENTS RELATING TO THE PROPOSED AGREEMENT FOR
20 AT LEAST FORTY-FIVE DAYS AFTER THE FINAL SPECIAL PUBLIC MEETING THAT THE
21 GOVERNING BOARD HOLDS PURSUANT TO THIS SUBDIVISION.

22 (c) APPROVE THE AGREEMENT BY AT LEAST A TWO-THIRDS VOTE OF THE
23 GOVERNING BOARD.

24 (d) NOTWITHSTANDING SECTION 15-1102, USE MONIES RECEIVED PURSUANT
25 TO THE PUBLIC-PRIVATE PARTNERSHIP AGREEMENT ONLY FOR MAINTAINING OR
26 UPGRADING SCHOOL DISTRICT FACILITIES.