



HOUSE OF REPRESENTATIVES

HB 2202

school districts; leases

Sponsors: Representatives Robson, Dial, Senator McComish

DP Committee on Education
DP Caucus and COW
X As Transmitted to the Governor

OVERVIEW

HB 2202 extends the time period school boards are able to enter into lease agreements from 5 to 10 years and allows certain school districts to call for an override election to exceed CORL during periods of expending lease proceeds on capital outlay.

HISTORY

Currently, if a common or high school district has a bonded indebtedness of 7% or less of the current year's assessed valuation, or 14% or less for a unified district, the district can spend the proceeds from the sale or lease of school property for maintenance and operation or capital outlay. However, during the period that proceeds from the sale or lease of the property are used for capital outlay, the district cannot call an override election to exceed its capital outlay revenue limit (CORL); except, in the last year of that period the district can call for an override election to exceed its CORL beginning with the following year (Arizona Revised Statutes (A.R.S. §15-1102).

A.R.S. §§15-342 and 15-491 allow school district governing boards to lease school buildings and grounds for five years, subject to voter approval. HB 2202 increases leasing periods to 10 years.

PROVISIONS

- Extends the time period school boards are allowed to enter into leases or lease-purchase agreements for school buildings or grounds from 5 years to 10 years.
- Removes the restriction on common or high school districts and unified school districts who have a bonded indebtedness of less than 7% or 14%, respectively, of the current year's assessed valuation from calling for a CORL override election during the period that the districts are spending sale or lease proceeds on capital outlay.