

REFERENCE TITLE: school bond elections; ballot arguments

State of Arizona  
House of Representatives  
Fifty-third Legislature  
Second Regular Session  
2018

## **HB 2458**

Introduced by  
Representatives Nutt: Boyer

AN ACT

AMENDING SECTION 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 15-491, Arizona Revised Statutes, is amended to  
3 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 percent of the school electors as shown by the poll list at the  
7 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  
11 sites 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  
15 issued and sold for the purpose of raising money for purchasing or leasing  
16 school lots, for building or renovating school buildings, for supplying  
17 school buildings with furniture, equipment and technology, for improving  
18 school grounds, for purchasing pupil transportation vehicles or for  
19 liquidating any indebtedness already incurred for such purposes. Bonds  
20 issued for furniture, equipment and technology, other than fixtures, shall  
21 mature no later than the July 1 that follows the fifth year after the  
22 bonds were issued. A school district shall not issue class B bonds until  
23 the school district has obligated in contract the entire proceeds of any  
24 class A bonds issued by the school district. The total amount of class A  
25 and class B bonds issued by a school district shall not exceed the debt  
26 limitations prescribed in article IX, sections 8 and 8.1, Constitution of  
27 Arizona.

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

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

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

44 B. No petition shall be required for the holding of the first  
45 election to be held in a joint common school district for any of the

1 purposes specified in subsection A of this section. The notice of  
2 election required by section 15-492 shall be published in each of the  
3 counties that comprise the joint common school district. The  
4 certification of election results required by section 15-493 shall be made  
5 to the board of supervisors of the jurisdictional county.

6 C. When the election is called to determine whether or not bonds of  
7 the school district shall be issued and sold for the purposes enumerated  
8 in the call for the election, the question shall be submitted to the vote  
9 of the qualified electors of the school district as defined in section  
10 15-401 and subject to section 15-402.

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

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

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

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

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

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

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

1 \_\_\_\_\_ school district is proposing to issue class  
2 B general obligation bonds totaling \$\_\_\_\_\_ to fund  
3 capital improvements over and above those funded by the state.  
4 Under the students first capital funding system, \_\_\_\_\_  
5 school district is entitled to state monies for new  
6 construction and renovation of school buildings in accordance  
7 with state law.

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

10 \_\_\_\_\_, a joint technical education district, is  
11 proposing to issue class B general obligation bonds totaling  
12 \$\_\_\_\_\_ to fund capital improvements at a campus owned or  
13 operated and maintained by the joint technical education  
14 district.

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

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

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

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

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

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

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

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  
10 and 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  
18 "bond approval, no", and the voter shall signify the voter's desired  
19 choice.

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

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

35 (a) The date of the election.

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

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

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

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

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

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

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

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

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

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

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

43 (a) The date of the election.

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

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

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

6 (e) A complete list of each capital improvement that was presented  
7 in the publicity pamphlet when the bonds were initially approved and that  
8 is proposed to be eliminated or to have its cost reduced, and the proposed  
9 cost of each improvement, including a separate aggregation of capital  
10 improvements for administrative purposes as defined by the school  
11 facilities board.

12 (f) Arguments for and against the proposed change, if submitted, as  
13 provided by section 15-481, subsection B, paragraph 9. The ballot  
14 arguments for the proposed change shall be signed as the governing board  
15 of the school district without listing any member's individual name for  
16 the arguments for the proposed change.

17 3. The ballot shall contain the words "change capital improvements,  
18 yes" and "change capital improvements, no", and the voter shall signify  
19 the voter's desired choice.

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

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

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

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

31 (a) The date of the election.

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

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

34 (d) Arguments for and against the proposed change, if submitted, as  
35 provided in section 15-481, subsection B, paragraph 9. The ballot  
36 arguments for the proposed change shall be signed as the governing board  
37 of the school district without listing any member's individual name for  
38 the arguments for the proposed change.

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

42 N. NOTWITHSTANDING TITLE 35, CHAPTER 3, ARTICLE 3, THE PUBLICITY  
43 PAMPHLET SHALL CONTAIN AT LEAST TWO ARGUMENTS, IF SUBMITTED, BUT NO MORE  
44 THAN TEN ARGUMENTS FOR AND TWO ARGUMENTS, IF SUBMITTED, BUT NO MORE THAN  
45 TEN ARGUMENTS AGAINST THE PROPOSED BOND ISSUANCE. THE ARGUMENTS SUBMITTED

1 FOR AND AGAINST THE BOND ISSUANCE SHALL BE IN A FORM PRESCRIBED BY THE  
2 COUNTY SCHOOL SUPERINTENDENT, AND EACH ARGUMENT SHALL NOT EXCEED TWO  
3 HUNDRED WORDS. ARGUMENTS FOR THE PROPOSED BOND ISSUANCE SHALL BE PROVIDED  
4 IN WRITING AND SIGNED BY THE GOVERNING BOARD. THE BALLOT ARGUMENTS FOR  
5 THE PROPOSED BOND ISSUANCE SHALL BE SIGNED AS THE GOVERNING BOARD OF THE  
6 SCHOOL DISTRICT WITHOUT LISTING ANY MEMBER'S INDIVIDUAL NAME FOR THE  
7 ARGUMENTS FOR THE PROPOSED BOND ISSUANCE. IF SUBMITTED, ADDITIONAL  
8 ARGUMENTS IN FAVOR OF THE PROPOSED BOND ISSUANCE SHALL BE PROVIDED IN  
9 WRITING AND SIGNED BY THOSE IN FAVOR. ARGUMENTS AGAINST THE PROPOSED BOND  
10 ISSUANCE SHALL BE PROVIDED IN WRITING AND SIGNED BY THOSE IN OPPOSITION.  
11 THE NAMES OF PERSONS AND ENTITIES SUBMITTING WRITTEN ARGUMENTS SHALL BE  
12 INCLUDED IN THE PUBLICITY PAMPHLET. THE COUNTY SCHOOL SUPERINTENDENT  
13 SHALL REVIEW ALL FACTUAL STATEMENTS CONTAINED IN THE WRITTEN ARGUMENTS AND  
14 CORRECT ANY INACCURATE STATEMENTS OF FACT. THE SUPERINTENDENT SHALL NOT  
15 REVIEW AND CORRECT ANY PORTION OF THE WRITTEN ARGUMENTS THAT ARE  
16 IDENTIFIED AS STATEMENTS OF THE AUTHOR'S OPINION. THE COUNTY SCHOOL  
17 SUPERINTENDENT SHALL MAKE THE WRITTEN ARGUMENTS AVAILABLE TO THE PUBLIC AS  
18 PROVIDED IN TITLE 39, CHAPTER 1, ARTICLE 2. A DEADLINE FOR SUBMITTING  
19 ARGUMENTS TO BE INCLUDED IN THE PUBLICITY PAMPHLET SHALL BE SET BY THE  
20 COUNTY SCHOOL SUPERINTENDENT.