

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

CHAPTER 68
HOUSE BILL 2185

AN ACT

AMENDING SECTIONS 15-991 AND 15-992, ARIZONA REVISED STATUTES; REPEALING SECTION 15-993, ARIZONA REVISED STATUTES; RELATING TO SCHOOL FINANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 15-991, Arizona Revised Statutes, is amended to
3 read:

4 15-991. Annual estimate by county school superintendent of
5 monies for ensuing year; review and approval by
6 property tax oversight commission

7 A. The county school superintendent shall recompute the
8 equalization assistance for education for each school district pursuant to
9 section 15-971, subsection A and compute the additional amount to be
10 levied pursuant to section 15-992, subsection B using the property values
11 provided by the county assessor under section 42-17052. The county school
12 superintendent must certify in writing to the property tax oversight
13 commission on or before July 25 of each year the amount of equalization
14 assistance for education and the amount to be levied for each school
15 district from the primary property tax pursuant to section 15-992.

16 B. The county school superintendent must prepare and file with the
17 governing board of each school district in the county and the property tax
18 oversight commission on or before July 25 of each year a written estimate
19 of the amount of monies required by each school district for the ensuing
20 school year based on the proposed budget adopted by each school district
21 governing board. The estimate shall contain:

22 1. A statement of the student count of each school district.

23 ~~2. The total amount to be received for the year by each school~~
24 ~~district from the county school fund and the special county school reserve~~
25 ~~fund.~~

26 ~~3. The anticipated interest earnings for each school district.~~

27 ~~4. 2. Revenues equal to the amount included in the adopted budget~~
28 ~~for the maintenance and operation section of the budget permitted by~~
29 ~~section 15-947, subsection C, paragraph 2, subdivision (a), items (ii),~~
30 ~~(iii), (iv), (v) and (vi) and subdivision (c). The county school~~
31 ~~superintendent shall estimate~~

32 The additional amounts needed for each
33 school district from the primary property tax and the secondary property
34 tax, AS ESTIMATED BY THE COUNTY SCHOOL SUPERINTENDENT. The county school
35 superintendent shall certify those amounts to the board of supervisors and
36 the property tax oversight commission in writing at the time of filing the
estimate.

37 ~~5. 3.~~ 3. The calculation of the amount to be levied as prescribed by
38 section 15-992 using the values provided by the county assessor under
39 section 42-17052.

40 C. The property tax oversight commission must review the primary
41 property tax calculations filed under subsection B, paragraph ~~5- 3~~ of this
42 section.

43 D. The county school superintendent must file in writing with the
44 county board of supervisors and the property tax oversight commission on
45 or before the third Monday in August of each year the amount that is

1 required to be levied for each school district from both the primary
2 property tax prescribed by section 15-992 and the secondary property tax.

3 E. On or before September 1, the governing board of a school
4 district shall file with the county school superintendent an estimate of
5 the amount of title VIII of the elementary and secondary education act of
6 1965 monies it is eligible to receive during the current year. On or
7 before June 1, the governing board shall file with the county school
8 superintendent and the superintendent of public instruction a statement of
9 the actual amount of title VIII of the elementary and secondary education
10 act of 1965 monies it received during the current year. This subsection
11 does not apply to accommodation schools.

12 F. The department may collect any other similar or related
13 information from school districts that the department may determine is
14 necessary to carry out the purposes of this section.

15 Sec. 2. Section 15-992, Arizona Revised Statutes, is amended to
16 read:

17 15-992. School district tax levy; additional tax in districts
18 ineligible for equalization assistance; definition

19 A. The board of supervisors of each county, at the time of levying
20 other taxes, shall annually levy school district taxes on the property in
21 any school district in which additional amounts are required, which shall
22 be at rates prescribed in this section. ~~No~~ A delinquency factor for
23 estimated uncollected taxes may NOT be included in the computation of the
24 primary tax rate for school district taxes. ~~No~~ Local property taxes may
25 NOT be levied for any deficit in the classroom site fund. The taxes shall
26 be added to and collected in the same manner as other county taxes on the
27 property within the school district. The amount of the school district
28 taxes levied on the property in a particular school district shall be paid
29 into the school fund of that school district.

30 B. At the same time of levying taxes as provided in subsection A of
31 this section, the county board of supervisors shall annually levy an
32 additional tax in each school district that is not eligible for
33 equalization assistance as provided in section 15-971 in an amount
34 determined as follows:

35 1. Determine the levy that would be produced by fifty percent of
36 the applicable qualifying tax rate, prescribed in section 15-971,
37 subsection B, per one hundred dollars assessed valuation.

38 2. Subtract the amount determined in section 15-971, subsection A
39 from the levy determined in paragraph 1 of this subsection. This
40 difference is the additional amount levied or collected as voluntary
41 contributions pursuant to title 48, chapter 1, article 8, except that if
42 the difference is zero or is a negative number, there shall be no levy.

43 C. Monies collected pursuant to subsection B of this section shall
44 be transmitted to the state treasurer for deposit in the state general
45 fund to aid in school financial assistance.

1 D. The additional tax prescribed in subsection B of this section is
2 considered to be primary property tax for purposes of section 15-972,
3 subsection B, except that this state is not required to make the payments
4 prescribed in section 15-972, subsection H for these reductions in taxes.

5 E. The tax levy prescribed in subsection A of this section shall be
6 a rate equal to the APPLICABLE qualifying tax rate OR RATES AS prescribed
7 in section 15-971, subsection B, ~~paragraph 2~~ or a rate that WOULD RESULT
8 IN A LEVY THAT equals the school district ~~support level~~ EQUALIZATION
9 ASSISTANCE BASE prescribed in section ~~15-947~~ 15-971 subtracted by any
10 amount received pursuant to section 15-905, subsections K, O and P per one
11 hundred dollars of assessed valuation used for primary property taxes,
12 whichever is less.

13 F. At the time of levying taxes as provided in subsection E of this
14 section, the county school superintendent shall annually validate any
15 additional primary school district tax levy amount requests from each
16 school district and levy the sum of the following amounts:

17 1. A rate that would result in a levy that equals the difference
18 between the transportation revenue control limit as determined in section
19 15-946 and the transportation support level as determined in section
20 15-945 OR A LESSER AMOUNT.

21 2. A rate that would result in a levy that equals any amount
22 pursuant to section 15-910.

23 3. A rate that would result in a levy that equals any amount for
24 tuition loss as determined in section 15-954.

25 4. A rate that would result in a levy that equals any amount for
26 the small school adjustment as determined in section 15-949.

27 5. A rate that would result in a levy that equals any amount for
28 liabilities in excess of the school district budget pursuant to section
29 15-907.

30 6. A rate that would result in a levy that equals any amount for
31 adjacent ways pursuant to section 15-995.

32 7. A rate that would result in a levy that equals the amount not
33 captured by the qualifying tax rate as a result of property subject to the
34 government property lease excise tax pursuant to title 42, chapter 6,
35 article 5 as calculated in section 15-971, subsection B, paragraph 2.

36 8. Following the recommendation of the county school superintendent
37 and on approval by the county board of supervisors, for a school district
38 that is not eligible for state aid, a rate that would result in a levy
39 that equals any legal amount not levied in the current year as a result of
40 underestimated average daily membership in the current year or as a result
41 of a judgment in accordance with section 42-16213.

42 9. A RATE THAT WOULD RESULT IN A LEVY THAT EQUALS ANY AMOUNT
43 PURSUANT TO A QUALIFYING DROPOUT PREVENTION PROGRAM THAT WAS ORIGINALLY
44 ESTABLISHED BY LAW IN 1987.

1 ~~9.~~ 10. Following ON the recommendation of ~~the county treasurer to~~
2 the county school superintendent and on approval by the county board of
3 supervisors BEFORE ADOPTION OF TAX RATES PURSUANT TO SECTION 42-17151, a
4 rate that would result in a levy that equals any ~~legal amount that~~
5 ~~corrects an outstanding cash deficit from the close of the current fiscal~~
6 ~~year~~ SEPARATELY STATED CASH DEFICIT FROM THE PRIOR FISCAL YEAR RESULTING
7 FROM AN ANTICIPATED OR ACTUAL DEVIATION IN THE PROPERTY TAX ROLL,
8 INCLUDING RESOLUTIONS OR JUDGMENTS PURSUANT TO TITLE 42, CHAPTER 16,
9 ARTICLES 5 AND 6.

10 G. For the purposes of this section, "assessed valuation" includes
11 the values used to determine voluntary contributions collected pursuant to
12 title 9, chapter 4, article 3 and title 48, chapter 1, article 8.

13 Sec. 3. Repeal

14 Section 15-993, Arizona Revised Statutes, is repealed.

APPROVED BY THE GOVERNOR MARCH 23, 2018.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 23, 2018.