

State of Arizona
Senate
Fifty-third Legislature
Second Regular Session
2018

CHAPTER 335
SENATE BILL 1254

AN ACT

AMENDING SECTION 15-459, ARIZONA REVISED STATUTES; AMENDING SECTION 15-459, ARIZONA REVISED STATUTES, AS AMENDED BY THIS ACT; RELATING TO SCHOOL DISTRICT CONSOLIDATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 15-459, Arizona Revised Statutes, is amended to
3 read:

4 15-459. Consolidation of districts; petition; election;
5 notice; report; ballots; canvass of votes;
6 governing board

7 A. On the request of the governing boards of two or more school
8 districts in the same county or in adjacent counties or on receipt of
9 petitions bearing the signatures of ten percent or more of the number of
10 qualified electors who voted in whichever of the last two general
11 elections resulted in the higher number of ballots cast and who reside in
12 each of two or more school districts in the same county or in adjacent
13 counties to consolidate the school districts or parts of the districts,
14 the county school superintendent of each of the counties affected, within
15 ten days, shall call an election to determine the question on
16 consolidation.

17 B. Consolidations allowed pursuant to subsection A of this section
18 include:

19 1. To change the boundaries of a school district to include any
20 part of an adjacent school district.

21 2. If all the common school districts within the boundaries of an
22 existing union high school district desire to consolidate into one common
23 school district.

24 3. If two or more adjacent school districts of like character,
25 either common, high or unified school districts, desire to consolidate
26 into one common, high or unified school district.

27 4. If a common school district that is not a part of a union high
28 school district desires to consolidate with an adjacent unified school
29 district.

30 5. If two or more common school districts desire to consolidate
31 into one school district and unify the consolidated district with a union
32 high school district to form one unified school district.

33 6. To change the boundaries of a school district that has received
34 a letter grade of A or B pursuant to section 15-241 to include another
35 school district within twenty miles ~~of each other~~.

36 7. IF A COMMON SCHOOL DISTRICT THAT IS PART OF A UNION HIGH SCHOOL
37 DISTRICT MADE UP OF TWO OR FEWER COMMON SCHOOL DISTRICTS DESIRES TO
38 CONSOLIDATE WITH THAT UNION HIGH SCHOOL DISTRICT.

39 C. Notice of the election to determine consolidation of school
40 districts shall be posted in not less than three public places in each of
41 the school districts proposed to be consolidated at least twenty-five days
42 before the election.

43 D. The county school superintendent shall prepare and the governing
44 board shall distribute a report on the proposed boundary changes in a

1 manner similar to that prescribed in section 15-481, subsection B. The
2 report shall contain the following information:

3 1. The date of the election.

4 2. The polling places and times they are open.

5 3. The full cash value, the assessed valuation and the estimated
6 amount of the primary property taxes and the estimated amount of the
7 secondary property taxes under the proposed boundary changes for each of
8 the following:

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

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

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

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

23 4. A consolidation plan to include:

24 (a) The proposed boundary changes.

25 (b) The impact of the proposed boundary changes, including where
26 pupils will attend school, changes in pupil transportation services,
27 changes in availability of special education services, changes in
28 pupil-teacher ratio and operational costs.

29 (c) If subsection P of this section applies to one or more of the
30 existing school districts, a detailed description of desegregation funding
31 and expenses for the resulting school district as set forth in subsection
32 P of this section.

33 (d) Any other information the county school superintendent deems
34 appropriate to include.

35 E. Ballots shall be prepared by the county school superintendent,
36 shall be delivered to the inspector at least forty-eight hours before the
37 opening of the polls as prescribed in section 16-509 and shall contain the
38 information prescribed in subsection D, paragraph 3 of this section and
39 the following statement: "Consolidation includes the assumption of
40 liability by the resulting school district for all indebtedness of
41 existing school districts or those parts of school districts proposed for
42 consolidation. Do you support consolidation under the specified
43 provisions of the consolidation plan? Yes () No ()." If the election
44 is to simultaneously consolidate and unify two or more common school

1 districts, the ballot shall contain: "Do you support the consolidation of
2 the (insert names of common school districts) and the subsequent
3 unification of the consolidated districts with the (insert name of union
4 high school district) to form one unified school district under the
5 consolidation and unification plan? Yes () No ()."

6 F. The county school superintendent shall hold the election during
7 the fiscal year preceding the fiscal year consolidation is proposed to be
8 effective on a date prescribed by section 16-204. The election shall be
9 held in the manner and electors shall possess qualifications as prescribed
10 for the election of governing board members. The results of the election
11 shall be reported to the county school superintendent.

12 G. The county school superintendent and the chairman of the board
13 of supervisors, on the seventh day after the election, shall canvass the
14 vote. If a majority of the votes cast in each district approved the
15 consolidation, the districts are consolidated and become one district from
16 and after June 30 next following the election. If parts of two or more
17 school districts are proposed to be consolidated, a majority of the voters
18 in the part of a school district or districts not affected by the proposed
19 consolidation and a majority of the voters in the part of the school
20 district or districts proposed for consolidation must approve the
21 consolidation.

22 H. If a school district provides only financing for pupils who are
23 instructed by another school district in the same county or in an adjacent
24 county, the school district or any part of the school district may be
25 consolidated with the school district providing the instructional program
26 as follows:

27 1. The governing board of the financing school district approves
28 the consolidation or ten percent of the qualified electors residing in the
29 school district, or that part of the school district proposed for
30 consolidation, petitions the county school superintendent to call an
31 election to approve the proposed consolidation.

32 ~~2. The governing board of the school district providing instruction~~
33 ~~approves the consolidation.~~

34 ~~3.~~ 2. At an election called by the county school superintendent of
35 each of the counties affected, a majority of the persons voting in the
36 school district, or that part of the school district providing financing,
37 approve the proposed consolidation and a majority of the persons voting in
38 the district providing instruction approve the proposed consolidation.

39 I. Elections held as provided in subsection H of this section shall
40 be conducted in the same manner as elections prescribed in subsections C
41 through G of this section and shall be held concurrently as prescribed in
42 section 15-458.

43 J. If the consolidated district includes territory located in two
44 or more counties, the county of jurisdiction is the county in which the

1 largest number of qualified electors of the consolidated school district
2 resides, except that if all of the existing school buildings are in one
3 county, that county is the county of jurisdiction. The county school
4 superintendent of the jurisdictional county shall perform all duties for
5 and with respect to the consolidated school district as required to be
6 performed by county school superintendents. The board of supervisors of
7 the jurisdictional county shall perform all duties for and with respect to
8 the consolidated school district as required to be performed by boards of
9 supervisors, except that school district taxes to be levied on property in
10 the portion of the consolidated school district lying in another county
11 shall be levied by the board of supervisors of the other county or
12 counties and on receipt shall be transferred to the county of
13 jurisdiction. All school buildings located within the consolidated school
14 district, together with all equipment and furnishings, become the property
15 of the consolidated school district. Any assumed indebtedness is an
16 indebtedness of the consolidated school district for the purpose of
17 determining the debt incurring authority of the consolidated school
18 district.

19 K. Sections 15-457, 15-975 and 15-997 apply to school districts
20 that are consolidated as provided in subsection H of this section.

21 L. Consolidation pursuant to this section is not allowed if the
22 resulting school district would have a student count for the current year
23 of more than ten percent of the total student count of all school
24 districts in this state.

25 M. The governing board is constituted, may conduct meetings and
26 shall prepare policies, curricula and budgets for the new school district
27 after the canvass pursuant to subsection G of this section demonstrates
28 that a majority of the votes cast in each school district approved the
29 consolidation. These policies shall require that:

30 1. The base salary and benefits of each employee for the first year
31 of operation of the new school district shall not be lower than the
32 employee's base salary and benefits for the prior year in the previously
33 existing school district.

34 2. The employee's years of employment in the previously existing
35 school district shall be included in determining the employee's years of
36 employment in the new school district. An employee who was entitled to
37 continuing employment contract status in the previously existing school
38 district is entitled to continuing employment contract status in the new
39 school district.

40 3. Notwithstanding paragraphs 1 and 2 of this subsection and
41 pursuant to section 15-544, nothing in this section shall be construed to
42 restrict the ability of the governing board to implement a reduction in
43 force or to scale back salaries of certified teachers, administrators or
44 noncertificated employees for reasons of economy or to improve the

1 efficient conduct of schools within the district following a school
2 district consolidation.

3 N. If all of the districts to be consolidated have authorization
4 for an override as provided in section 15-481 that would have continued
5 after the consolidation, the override authorization continues for the new
6 district and expires at the time that the earliest override would have
7 expired.

8 O. If one or more, but not all, of the districts to be consolidated
9 have authorization for an override as provided in section 15-481 that
10 would have continued after the consolidation, the override authorization
11 shall only apply to the schools included under the terms of the prior
12 override authorization. Consolidation of school districts does not
13 consolidate or pool the liability to be taxed for the override, and only
14 property that was located within the boundaries of the district that
15 approved the override prior to consolidation is to pay taxes to support
16 the override. This subsection also applies if all of the districts to be
17 consolidated have authorization for overrides, but the authorizations are
18 pursuant to different subsections of section 15-481 or the override
19 amounts are not the same percentage of the revenue control limit.

20 P. Notwithstanding section 15-457, consolidation of school
21 districts does not consolidate or pool the liability of the former school
22 districts into the resulting school district. Outstanding indebtedness
23 incurred by a school district before consolidation shall be repaid without
24 interruption according to existing debt schedules as determined by the
25 county board of supervisors. If a school district consolidates after July
26 1, 2004, the new school district may pay tuition to the district of
27 attendance when a pupil is precluded by distance or lack of transportation
28 from attending school in the district of a pupil's residence.

29 Q. If one or more of the previously existing school districts were
30 authorized to budget for expenses of complying with or continuing to
31 implement activities that were required or permitted by court order of
32 desegregation or administrative agreement with the United States
33 department of education office for civil rights directed toward
34 remediating alleged or proven racial discrimination pursuant to section
35 15-910, this authorization does not expire on the effective date of
36 consolidation but only applies to schools included in the court order or
37 administrative agreement.

38 R. If the formation of a new consolidated and unified school
39 district is authorized, the terms of the governing board members of the
40 common and union high school districts do not expire on the effective date
41 of the unification. The governing board members of the previously
42 existing school districts shall serve as provided in section 15-430,
43 except that the power of the governing board members of the previously
44 existing school districts acting as the governing board of the unified

1 school district is limited to the maintenance and operation of the
2 previously existing school districts and compliance with the consolidation
3 and unification plan.

4 S. IF A UNION HIGH SCHOOL DISTRICT IS CONSOLIDATED WITH A COMMON
5 SCHOOL DISTRICT AS PROVIDED IN SUBSECTION B, PARAGRAPH 7 OF THIS SECTION
6 TO FORM A UNIFIED SCHOOL DISTRICT, ANY COMMON SCHOOL DISTRICT THAT IS NOT
7 INCLUDED IN THE CONSOLIDATION SHALL BECOME A COMMON SCHOOL DISTRICT THAT
8 IS NOT WITHIN A HIGH SCHOOL DISTRICT AND IS SUBJECT TO SECTION 15-951.
9 THE UNIFIED SCHOOL DISTRICT SHALL ADMIT HIGH SCHOOL PUPILS WHO RESIDE IN A
10 COMMON SCHOOL DISTRICT THAT WAS LOCATED WITHIN THE BOUNDARIES OF THE
11 FORMER UNION HIGH SCHOOL DISTRICT. THE COMMON SCHOOL DISTRICT SHALL PAY
12 TUITION FOR HIGH SCHOOL PUPILS AS SPECIFIED IN SECTION 15-824 AND SUBJECT
13 TO SECTION 15-448, SUBSECTION J.

14 Sec. 2. Section 15-459, Arizona Revised Statutes, as amended by
15 section 1 of this act, is amended to read:

16 15-459. Consolidation of districts; petition; election;
17 notice; report; ballots; canvass of votes;
18 governing board

19 A. On the request of the governing boards of two or more school
20 districts in the same county or in adjacent counties or on receipt of
21 petitions bearing the signatures of ten percent or more of the number of
22 qualified electors who voted in whichever of the last two general
23 elections resulted in the higher number of ballots cast and who reside in
24 each of two or more school districts in the same county or in adjacent
25 counties to consolidate the school districts or parts of the districts,
26 the county school superintendent of each of the counties affected, within
27 ten days, shall call an election to determine the question on
28 consolidation.

29 B. Consolidations allowed pursuant to subsection A of this section
30 include:

31 1. To change the boundaries of a school district to include any
32 part of an adjacent school district.

33 2. If all the common school districts within the boundaries of an
34 existing union high school district desire to consolidate into one common
35 school district.

36 3. If two or more adjacent school districts of like character,
37 either common, high or unified school districts, desire to consolidate
38 into one common, high or unified school district.

39 4. If a common school district that is not a part of a union high
40 school district desires to consolidate with an adjacent unified school
41 district.

42 5. If two or more common school districts desire to consolidate
43 into one school district and unify the consolidated district with a union
44 high school district to form one unified school district.

1 6. To change the boundaries of a school district that has received
2 a letter grade of A or B pursuant to section 15-241 to include another
3 school district within twenty miles.

4 ~~7. If a common school district that is part of a union high school~~
5 ~~district made up of two or fewer common school districts desires to~~
6 ~~consolidate with that union high school district.~~

7 C. Notice of the election to determine consolidation of school
8 districts shall be posted in not less than three public places in each of
9 the school districts proposed to be consolidated at least twenty-five days
10 before the election.

11 D. The county school superintendent shall prepare and the governing
12 board shall distribute a report on the proposed boundary changes in a
13 manner similar to that prescribed in section 15-481, subsection B. The
14 report shall contain the following information:

15 1. The date of the election.

16 2. The polling places and times they are open.

17 3. The full cash value, the assessed valuation and the estimated
18 amount of the primary property taxes and the estimated amount of the
19 secondary property taxes under the proposed boundary changes for each of
20 the following:

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

25 (b) An owner-occupied residence whose assessed valuation is
26 one-half of the assessed valuation of the residence in subdivision (a) of
27 this paragraph.

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

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

35 4. A consolidation plan to include:

36 (a) The proposed boundary changes.

37 (b) The impact of the proposed boundary changes, including where
38 pupils will attend school, changes in pupil transportation services,
39 changes in availability of special education services, changes in
40 pupil-teacher ratio and operational costs.

41 (c) If subsection P of this section applies to one or more of the
42 existing school districts, a detailed description of desegregation funding
43 and expenses for the resulting school district as set forth in subsection
44 P of this section.

1 (d) Any other information the county school superintendent deems
2 appropriate to include.

3 E. Ballots shall be prepared by the county school superintendent,
4 shall be delivered to the inspector at least forty-eight hours before the
5 opening of the polls as prescribed in section 16-509 and shall contain the
6 information prescribed in subsection D, paragraph 3 of this section and
7 the following statement: "Consolidation includes the assumption of
8 liability by the resulting school district for all indebtedness of
9 existing school districts or those parts of school districts proposed for
10 consolidation. Do you support consolidation under the specified provisions
11 of the consolidation plan? Yes () No ()." If the election is to
12 simultaneously consolidate and unify two or more common school districts,
13 the ballot shall contain: "Do you support the consolidation of the
14 (insert names of common school districts) and the subsequent unification
15 of the consolidated districts with the (insert name of union high school
16 district) to form one unified school district under the consolidation and
17 unification plan? Yes () No ()."

18 F. The county school superintendent shall hold the election during
19 the fiscal year preceding the fiscal year consolidation is proposed to be
20 effective on a date prescribed by section 16-204. The election shall be
21 held in the manner and electors shall possess qualifications as prescribed
22 for the election of governing board members. The results of the election
23 shall be reported to the county school superintendent.

24 G. The county school superintendent and the chairman of the board
25 of supervisors, on the seventh day after the election, shall canvass the
26 vote. If a majority of the votes cast in each district approved the
27 consolidation, the districts are consolidated and become one district from
28 and after June 30 next following the election. If parts of two or more
29 school districts are proposed to be consolidated, a majority of the voters
30 in the part of a school district or districts not affected by the proposed
31 consolidation and a majority of the voters in the part of the school
32 district or districts proposed for consolidation must approve the
33 consolidation.

34 H. If a school district provides only financing for pupils who are
35 instructed by another school district in the same county or in an adjacent
36 county, the school district or any part of the school district may be
37 consolidated with the school district providing the instructional program
38 as follows:

39 1. The governing board of the financing school district approves
40 the consolidation or ten percent of the qualified electors residing in the
41 school district, or that part of the school district proposed for
42 consolidation, petitions the county school superintendent to call an
43 election to approve the proposed consolidation.

1 2. At an election called by the county school superintendent of
2 each of the counties affected, a majority of the persons voting in the
3 school district, or that part of the school district providing financing,
4 approve the proposed consolidation and a majority of the persons voting in
5 the district providing instruction approve the proposed consolidation.

6 I. Elections held as provided in subsection H of this section shall
7 be conducted in the same manner as elections prescribed in subsections C
8 through G of this section and shall be held concurrently as prescribed in
9 section 15-458.

10 J. If the consolidated district includes territory located in two
11 or more counties, the county of jurisdiction is the county in which the
12 largest number of qualified electors of the consolidated school district
13 resides, except that if all of the existing school buildings are in one
14 county, that county is the county of jurisdiction. The county school
15 superintendent of the jurisdictional county shall perform all duties for
16 and with respect to the consolidated school district as required to be
17 performed by county school superintendents. The board of supervisors of
18 the jurisdictional county shall perform all duties for and with respect to
19 the consolidated school district as required to be performed by boards of
20 supervisors, except that school district taxes to be levied on property in
21 the portion of the consolidated school district lying in another county
22 shall be levied by the board of supervisors of the other county or
23 counties and on receipt shall be transferred to the county of
24 jurisdiction. All school buildings located within the consolidated school
25 district, together with all equipment and furnishings, become the property
26 of the consolidated school district. Any assumed indebtedness is an
27 indebtedness of the consolidated school district for the purpose of
28 determining the debt incurring authority of the consolidated school
29 district.

30 K. Sections 15-457, 15-975 and 15-997 apply to school districts
31 that are consolidated as provided in subsection H of this section.

32 L. Consolidation pursuant to this section is not allowed if the
33 resulting school district would have a student count for the current year
34 of more than ten percent of the total student count of all school
35 districts in this state.

36 M. The governing board is constituted, may conduct meetings and
37 shall prepare policies, curricula and budgets for the new school district
38 after the canvass pursuant to subsection G of this section demonstrates
39 that a majority of the votes cast in each school district approved the
40 consolidation. These policies shall require that:

41 1. The base salary and benefits of each employee for the first year
42 of operation of the new school district shall not be lower than the
43 employee's base salary and benefits for the prior year in the previously
44 existing school district.

1 2. The employee's years of employment in the previously existing
2 school district shall be included in determining the employee's years of
3 employment in the new school district. An employee who was entitled to
4 continuing employment contract status in the previously existing school
5 district is entitled to continuing employment contract status in the new
6 school district.

7 3. Notwithstanding paragraphs 1 and 2 of this subsection and
8 pursuant to section 15-544, nothing in this section shall be construed to
9 restrict the ability of the governing board to implement a reduction in
10 force or to scale back salaries of certified teachers, administrators or
11 noncertificated employees for reasons of economy or to improve the
12 efficient conduct of schools within the district following a school
13 district consolidation.

14 N. If all of the districts to be consolidated have authorization
15 for an override as provided in section 15-481 that would have continued
16 after the consolidation, the override authorization continues for the new
17 district and expires at the time that the earliest override would have
18 expired.

19 O. If one or more, but not all, of the districts to be consolidated
20 have authorization for an override as provided in section 15-481 that
21 would have continued after the consolidation, the override authorization
22 shall only apply to the schools included under the terms of the prior
23 override authorization. Consolidation of school districts does not
24 consolidate or pool the liability to be taxed for the override, and only
25 property that was located within the boundaries of the district that
26 approved the override prior to consolidation is to pay taxes to support
27 the override. This subsection also applies if all of the districts to be
28 consolidated have authorization for overrides, but the authorizations are
29 pursuant to different subsections of section 15-481 or the override
30 amounts are not the same percentage of the revenue control limit.

31 P. Notwithstanding section 15-457, consolidation of school
32 districts does not consolidate or pool the liability of the former school
33 districts into the resulting school district. Outstanding indebtedness
34 incurred by a school district before consolidation shall be repaid without
35 interruption according to existing debt schedules as determined by the
36 county board of supervisors. If a school district consolidates after July
37 1, 2004, the new school district may pay tuition to the district of
38 attendance when a pupil is precluded by distance or lack of transportation
39 from attending school in the district of a pupil's residence.

40 Q. If one or more of the previously existing school districts were
41 authorized to budget for expenses of complying with or continuing to
42 implement activities that were required or permitted by court order of
43 desegregation or administrative agreement with the United States
44 department of education office for civil rights directed toward

1 remediating alleged or proven racial discrimination pursuant to section
2 15-910, this authorization does not expire on the effective date of
3 consolidation but only applies to schools included in the court order or
4 administrative agreement.

5 R. If the formation of a new consolidated and unified school
6 district is authorized, the terms of the governing board members of the
7 common and union high school districts do not expire on the effective date
8 of the unification. The governing board members of the previously
9 existing school districts shall serve as provided in section 15-430,
10 except that the power of the governing board members of the previously
11 existing school districts acting as the governing board of the unified
12 school district is limited to the maintenance and operation of the
13 previously existing school districts and compliance with the consolidation
14 and unification plan.

~~15 S. If a union high school district is consolidated with a common
16 school district as provided in subsection B, paragraph 7 of this section
17 to form a unified school district, any common school district that is not
18 included in the consolidation shall become a common school district that
19 is not within a high school district and is subject to section 15-951.
20 The unified school district shall admit high school pupils who reside in a
21 common school district that was located within the boundaries of the
22 former union high school district. The common school district shall pay
23 tuition for high school pupils as specified in section 15-824 and subject
24 to section 15-448, subsection J.~~

25 Sec. 3. Effective date

26 Section 15-459, Arizona Revised Statutes, as amended by section 2 of
27 this act, is effective from and after December 31, 2020.

28 Sec. 4. Retroactivity

29 Section 15-459, Arizona Revised Statutes, as amended by section 1 of
30 this act, applies retroactively to from and after December 31, 2017.

APPROVED BY THE GOVERNOR MAY 16, 2018.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 16, 2018.