

State of Arizona
House of Representatives
Fifty-fourth Legislature
Second Regular Session
2020

HOUSE BILL 2109

AN ACT

AMENDING SECTIONS 15-444, 15-448 AND 15-449, ARIZONA REVISED STATUTES; AMENDING SECTION 15-459, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2018, CHAPTER 335, SECTION 2; AMENDING SECTIONS 15-908 AND 15-950, 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 15-444, Arizona Revised Statutes, is amended to
3 read:

4 15-444. Formation of union high school district; petition for
5 establishment; election; notice

6 A. Two or more adjoining school districts jointly having a student
7 count of ~~not less than~~ AT LEAST two hundred pupils and an assessed
8 valuation of ~~not less than two million dollars~~ AT LEAST \$2,000,000 may
9 unite and form a union high school district. ~~No~~ A union high school
10 district may NOT be formed of territory already embodied in a union high
11 school district unless the remaining territory of the original union high
12 school district is contiguous and has an assessed valuation of ~~not less~~
13 ~~than five million dollars~~ AT LEAST \$5,000,000.

14 B. If a majority of the governing boards of each of two or more
15 adjoining school districts unites in a petition to the county school
16 superintendent ~~for establishment of~~ TO ESTABLISH a union high school
17 district, or if ten ~~per cent~~ PERCENT OF THE RESIDENTS of each of two or
18 more adjoining school districts unite in a petition ~~for establishment of~~
19 TO ESTABLISH a union high school district, the county school
20 superintendent shall call an election to be held at the next regular
21 election of the governing board, if within ninety days after receipt of
22 the petition, to determine the question, or a special election called for
23 that purpose within sixty days.

24 C. Public notices of the election, not less than three in each
25 school district comprising the proposed union high school district, shall
26 be posted, one to be ~~upon~~ ON the door of the schoolhouse in each district,
27 at least ten days before the election.

28 D. The election shall be conducted as nearly as practicable in the
29 manner prescribed in section 15-459. The ballots shall contain the words
30 "union high school district, yes" and "union high school district, no",
31 and the voter shall signify his desired choice.

32 E. If a majority of the persons voting within each school district
33 comprising the proposed union high school district votes in favor of
34 ~~establishment of~~ ESTABLISHING a union high school district, the union high
35 school district shall become effective as provided in section 15-459,
36 subsection ~~G~~ J.

37 F. If a union high school district is established from a unified
38 school district as provided in this section, a common school district is
39 established with boundaries coterminous with the boundaries of the former
40 unified school district.

41 Sec. 2. Section 15-448, Arizona Revised Statutes, is amended to
42 read:

43 15-448. Formation of unified school district; board
44 membership; budget

45 A. One or more common school districts and a high school district
46 with coterminous or overlapping boundaries may establish a unified school

1 district pursuant to this section. Unification of a common school
2 district and a high school district is not authorized by this section if
3 any of the high school facilities owned by the new unified school district
4 would not be located within its boundaries.

5 B. Formation of a unified school district shall be by resolutions
6 approved by the governing boards of the unifying school districts and
7 certification of approval by such governing boards to the county school
8 superintendent of the county or counties in which such individual school
9 districts are located. A common school district and high school district
10 that unify pursuant to this section shall not exclude from the same
11 unification a common school district that has overlapping boundaries with
12 the high school district and that wishes to unify. Except as provided in
13 subsection D of this section, the formation of a unified school district
14 ~~shall become~~ BECOMES effective on July 1 of the next fiscal year following
15 the certification of the county school superintendent. An election ~~shall~~
16 IS not ~~be~~ required to form a unified school district pursuant to this
17 section. NOTICE OF THE PROPOSED VOTE OF THE GOVERNING BOARDS ON THE
18 RESOLUTIONS PRESCRIBED IN THIS SUBSECTION SHALL BE POSTED IN AT LEAST
19 THREE PUBLIC PLACES IN EACH OF THE SCHOOL DISTRICTS PROPOSED TO BE UNIFIED
20 AT LEAST NINETY DAYS BEFORE THE PROPOSED VOTE. At least ninety days
21 before the governing boards vote on the resolutions prescribed in this
22 subsection, the governing boards shall mail a pamphlet to each household
23 with one or more qualified electors that ~~shall list~~ LISTS the full cash
24 value, the assessed valuation and the estimated amount of the primary
25 property taxes and the estimated amount of the secondary property taxes
26 under the proposed unification for each of the following:

27 1. An ~~owner occupied~~ OWNER-OCCUPIED residence whose assessed
28 valuation is the average assessed valuation of property classified as
29 class three, as prescribed by section 42-12003 for the current year in the
30 school district.

31 2. An ~~owner occupied~~ OWNER-OCCUPIED residence whose assessed
32 valuation is one-half of the assessed valuation of the residence in
33 paragraph 1 of this subsection.

34 3. An ~~owner occupied~~ OWNER-OCCUPIED residence whose assessed
35 valuation is twice the assessed valuation of the residence in paragraph 1
36 of this subsection.

37 4. A business whose assessed valuation is the average of the
38 assessed valuation of property classified as class one, as prescribed by
39 section 42-12001, paragraphs 12 and 13 for the current year in the school
40 district.

41 C. The boundaries of the unified school district shall be the
42 boundaries of the former common school district or districts that unify.
43 The boundaries of the common school district or districts that are not
44 unifying remain unchanged. The county school superintendent, immediately
45 on receipt of the approved resolutions prescribed by subsection B of this
46 section, shall file with the board of supervisors, the county assessor and

1 the superintendent of public instruction a transcript of the boundaries of
2 the unified school district. The boundaries shown in the transcript shall
3 become the legal boundaries of the school districts on July 1 of the next
4 fiscal year.

5 D. On formation of the unified school district, the governing board
6 consists of the members of the former school district governing boards and
7 the members shall hold office until January 1 following the first general
8 election after formation of the district. For the purpose of all actions
9 that are necessary ~~for the operation of~~ TO OPERATE the unified district
10 for the next year, the unified school district governing board is
11 constituted and may conduct meetings after the adoption of the unification
12 resolutions prescribed by subsection B of this section.

13 E. Beginning on January 1 following the first general election
14 after formation of the unified school district, the governing board shall
15 have five members. At the first general election after the formation of
16 the district, members shall be elected in the following manner:

17 1. The three candidates receiving the highest, the second highest
18 and the third highest number of votes shall be elected to ~~four year~~
19 **FOUR-YEAR** terms.

20 2. The two candidates receiving the fourth and fifth highest number
21 of votes shall be elected to ~~two year~~ **TWO-YEAR** terms. Thereafter all
22 offices shall have ~~four year~~ **FOUR-YEAR** terms.

23 F. The new unified school district may appoint a resident of the
24 remaining common school district to serve as a nonvoting member of the
25 governing board to represent the interests of the high school pupils who
26 reside in the remaining common school district and who attend school in
27 the unified school district.

28 G. For the first year of operation, the unified school district
29 governing board shall prepare a consolidated budget based on the student
30 counts from the school districts comprising the unified school district,
31 except that for purposes of determining budget amounts and equalization
32 assistance, the student count for the former high school district shall
33 not include the prior year average daily membership attributable to high
34 school pupils from a common school district that was part of the former
35 high school district but is not part of the unified school district. The
36 unified school district shall charge the remaining common school district
37 tuition for these pupils as provided in subsection J of this section. The
38 unified school district may budget for unification assistance pursuant to
39 section 15-912.01.

40 H. The governing board of the unified school district shall prepare
41 policies, curricula and budgets for the district. These policies shall
42 require that:

43 1. The base compensation of each certificated teacher for the first
44 year of operation of the new unified school district shall not be lower
45 than the certificated teacher's base compensation for the prior year in
46 the previously existing school districts.

1 2. The certificated teacher's years of employment in the previously
2 existing school districts shall be included in determining the teacher's
3 certificated years of employment in the new unified school district.

4 I. On formation of a unified school district, any existing override
5 authorization of the former high school district and the former common
6 school district or districts shall continue until expiration based on the
7 revenue control limit of the school district or districts that had
8 override authorization ~~prior to~~ BEFORE unification. The unified school
9 district may request new override authorization for the budget year as
10 provided in section 15-481 based on the combined revenue control limit of
11 the new district after unification. If the unified school district's
12 request for override authorization is approved, it will replace any
13 existing override for the budget year.

14 J. The unified school district shall admit high school pupils who
15 reside in a common school district that was located within the boundaries
16 of the former high school district. Tuition shall be paid to the unified
17 school district by the common school district in which such pupils reside.
18 Such tuition amount shall be calculated in accordance with section 15-824,
19 subject to the following modifications:

20 1. If the former high school district had outstanding bonded
21 indebtedness at the time of unification, the combined tuition for the
22 group of high school pupils who reside in each common school district
23 shall include a debt service amount for the former high school district's
24 outstanding bonded indebtedness that is determined as follows:

25 (a) Divide the total net assessed valuation of the common school
26 district in which the group of pupils resides by the total net assessed
27 valuation of the former high school district. For the purposes of this
28 subdivision, "net assessed valuation" means net assessed valuation for the
29 tax year ~~prior to~~ BEFORE the year when the unified school district
30 governing board is constituted pursuant to subsection D of this section
31 and includes the values used to determine voluntary contributions
32 collected pursuant to title 9, chapter 4, article 3 and title 48,
33 chapter 1, article 8.

34 (b) Multiply the quotient obtained in subdivision (a) of this
35 paragraph by the unified school district's annual debt service
36 expenditure.

37 2. The debt service portion of such tuition payments calculated
38 pursuant to paragraph 1 of this subsection shall be used exclusively for
39 debt service of the outstanding bonded indebtedness of the former high
40 school district. When such indebtedness is fully extinguished, the debt
41 service portion of a pupil's tuition shall be determined in accordance
42 with paragraph 3 of this subsection.

43 3. If the former high school district had no outstanding bonded
44 indebtedness at the time of unification, the tuition calculation shall
45 include the actual school district expenditures for the portion of any
46 debt service of the unified school district that pertains to any

1 construction or renovation of high school facilities divided by the school
2 district's student count for the high school portion of the school
3 district.

4 4. The unified school district shall not include in the tuition
5 calculation any debt service that pertains to any construction or
6 renovation of school facilities for preschool through grade eight.

7 5. Notwithstanding section 15-951, subsection F, the revenue
8 control limit of the common school district shall include the full amount
9 of the debt service portion of the tuition calculated pursuant to this
10 subsection.

11 K. All assets and liabilities of the unifying school districts
12 shall be transferred and assumed by the new unified school district. Any
13 existing bonded indebtedness of a common school district or a high school
14 district unifying pursuant to this section shall be assumed by the new
15 unified school district and shall be regarded as an indebtedness of the
16 new unified school district for the purpose of determining the debt
17 incurring authority of the district. Taxes for the payment of such bonded
18 indebtedness shall be levied on all taxable property in the new unified
19 school district, but nothing in this subsection shall be construed to
20 relieve from liability to taxation for the payment of all taxable property
21 of the former high school district if necessary to prevent a default in
22 the payment of any bonded indebtedness of the former high school district.
23 The residents of a common school district that does not unify shall not
24 vote in bond or override elections of the unified school district and
25 shall not be assessed taxes as a result of a bond or override election of
26 the unified school district.

27 L. If the remaining common school district had authorization for an
28 override as provided in section 15-481 or 15-482, the override
29 authorization continues for the remaining common school district or
30 districts in the same manner as before the formation of the unified school
31 district.

32 M. The bonding authorization and bonding limitations continue for
33 the remaining common school district or districts in the same manner as
34 before the formation of the unified school district.

35 N. ~~Nothing in~~ This section ~~shall be construed to~~ DOES NOT relieve a
36 school district formed pursuant to section 15-457 or 15-458 of its
37 liability for any outstanding bonded indebtedness.

38 O. For school districts that become unified after July 1, 2004 and
39 where all of the common schools were eligible for the small school
40 district weight pursuant to section 15-943, paragraph 1, subdivision (a)
41 when computing their base support level and base revenue control limit
42 before unification, the unified school district may continue to use the
43 small school district weight as follows:

44 1. Annually determine the common school student count and the
45 weighted student count pursuant to section 15-943, paragraph 1,
46 subdivision (a) for each common school district before unification.

1 2. Calculate the sum of the common school districts' student counts
2 and weighted student counts determined in paragraph 1 of this subsection.

3 3. Divide the sum of the weighted student counts by the sum of the
4 student counts determined in paragraph 2 of this subsection.

5 4. The amount determined in paragraph 3 of this subsection shall be
6 the weight for the common schools in the unified school district.

7 P. A unified school district may calculate its revenue control
8 limit and district support level by using subsection 0 of this section as
9 follows:

10 1. Determine the number of individual school districts that existed
11 before unification into a single school district.

12 2. Multiply the amount determined in paragraph 1 of this subsection
13 by six hundred.

14 3. Multiply the amount determined in paragraph 2 of this subsection
15 by 0.80.

16 4. If the amount determined in paragraph 3 of this subsection
17 exceeds the student count of the unified school district, the unified
18 school district is eligible to use subsection 0 of this section.

19 Q. Subsections 0 and P of this section shall remain in effect until
20 the aggregate student count of the common school districts before
21 unification exceeds the aggregate number of students of the common school
22 districts before unification authorized to utilize section 15-943,
23 paragraph 1, subdivision (a).

24 Sec. 3. Section 15-449, Arizona Revised Statutes, is amended to
25 read:

26 15-449. Formation of unified school district by common school
27 district; petition for establishment; election;
28 notice

29 A. A common school district having a student count of ~~not less than~~
30 ~~AT LEAST~~ two hundred pupils and an assessed valuation of ~~not less than two~~
31 ~~million dollars may~~ ~~AT LEAST~~ \$2,000,000, by a majority vote of the
32 qualified school electors of the school district, ~~MAY~~ establish a unified
33 school district with boundaries coterminous with the boundaries of the
34 common school district.

35 B. If a majority of the governing board of the common school
36 district unites in a petition to the county school superintendent ~~for~~
37 ~~establishment of~~ ~~TO ESTABLISH~~ a unified school district, or if ten ~~per~~
38 ~~cent~~ PERCENT of the residents of the common school district unite in a
39 petition ~~for establishment of~~ ~~TO ESTABLISH~~ a unified school district, the
40 county school superintendent shall call an election to be held at the next
41 regular election of the governing board, if ~~THE NEXT REGULAR ELECTION IS~~
42 within ninety days after receipt of the petition, to determine the
43 question, or shall call a special election for that purpose within ~~sixty~~
44 ~~ONE HUNDRED TWENTY~~ days.

45 C. ~~Not less than~~ ~~AT LEAST~~ five public notices of the election shall
46 be posted, one to be on the door of the schoolhouse in the district, at

1 least ~~ten~~ ~~NINETY~~ days before the election IF THE ELECTION IS AT LEAST
2 ~~NINETY DAYS AFTER RECEIPT OF THE PETITION OR AS SOON AS PRACTICABLE IF THE~~
3 ~~ELECTION IS FEWER THAN NINETY DAYS AFTER RECEIPT OF THE PETITION.~~

4 D. The election shall be conducted as nearly as practicable in the
5 manner prescribed in section 15-459. The ballots shall contain the words
6 "unified school district, yes" and "unified school district, no", and the
7 voter shall signify his desired choice.

8 E. If a majority of the persons voting in the common school
9 district votes in favor of establishment of a unified school district, the
10 unified school district becomes effective as provided in section 15-459,
11 subsection ~~E~~ J.

12 Sec. 4. Section 15-459, Arizona Revised Statutes, as amended by
13 Laws 2018, chapter 335, section 2, is amended to read:

14 15-459. Consolidation of districts; petition; election;
15 notice; report; ballots; canvass of votes;
16 governing board

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

27 B. Consolidations allowed pursuant to subsection A of this section
28 include:

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

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

34 3. If two or more adjacent school districts of ~~like character~~,
35 ~~either~~ THE SAME TYPE, BOTH OR ALL BEING common, UNION high or unified
36 school districts, desire to consolidate into one common, UNION high or
37 unified school district.

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

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

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

1 ~~H.~~ **C.** If a school district provides only financing for pupils who
2 are instructed by another school district in the same county or in an
3 adjacent county, the school district or any part of the school district
4 may be consolidated with the school district providing the instructional
5 program as follows:

6 1. The governing board of the financing school district approves
7 the consolidation or ten percent of the qualified electors residing in the
8 school district, or that part of the school district proposed for
9 consolidation, petitions the county school superintendent to call an
10 election to approve the proposed consolidation.

11 2. At an election called by the county school superintendent of
12 each of the counties affected, a majority of the persons voting in the
13 school district, or that part of the school district providing financing,
14 approve the proposed consolidation and a majority of the persons voting in
15 the district providing instruction approve the proposed consolidation.

16 ~~H.~~ **D.** Elections held as provided in subsection ~~H~~ **C** of this
17 section shall be conducted in the same manner as elections prescribed in
18 subsections ~~E~~ **F** through ~~G~~ **J** of this section and shall be held
19 concurrently as prescribed in section 15-458.

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

22 ~~E.~~ **F.** Notice of the election to determine consolidation of school
23 districts shall be posted in ~~not less than~~ AT LEAST three public places in
24 each of the school districts proposed to be consolidated at least
25 ~~twenty-five~~ **NINETY** days before the election.

26 ~~B.~~ **G.** The county school superintendent shall prepare and the
27 governing board shall distribute a report on the proposed boundary changes
28 in a manner similar to that prescribed in section 15-481, subsection B.
29 The report shall contain the following information:

30 1. The date of the election.

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

32 3. The full cash value, the assessed valuation and the estimated
33 amount of the primary property taxes and the estimated amount of the
34 secondary property taxes under the proposed boundary changes for each of
35 the following:

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

40 (b) An owner-occupied residence whose assessed valuation is
41 one-half of the assessed valuation of the residence in subdivision (a) of
42 this paragraph.

43 (c) An owner-occupied residence whose assessed valuation is twice
44 the assessed valuation of the residence in subdivision (a) of this
45 paragraph.

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

4. A consolidation plan to include:

(a) The proposed boundary changes.

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

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

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

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

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

~~6.~~ J. The county school superintendent and the chairman of the board of supervisors, on the seventh day after the election, shall canvass the vote. If a majority of the votes cast in each district approved the consolidation, the districts are consolidated and become one district from and after June 30 next following the election. If parts of two or more school districts are proposed to be consolidated, a majority of the voters in the part of a school district or districts not ~~affected by~~ INCLUDED IN the proposed consolidation and a majority of the voters in the part of the

1 school district or districts proposed for consolidation must approve the
2 consolidation.

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

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

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

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

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

42 3. Notwithstanding paragraphs 1 and 2 of this subsection and
43 pursuant to section 15-544, ~~nothing in~~ this section ~~shall be construed to~~
44 ~~DOES NOT~~ restrict the ability of the governing board to implement a
45 reduction in force or to scale back salaries of certified teachers,
46 administrators or noncertificated employees for reasons of economy or to

1 improve the efficient conduct of schools within the district following a
2 school 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~~ BEFORE consolidation is to pay taxes to
16 support the override. This subsection also applies if all of the
17 districts to be consolidated have authorization for overrides, but the
18 authorizations are pursuant to different subsections of section 15-481 or
19 the override amounts are not the same percentage of the revenue control
20 limit.

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

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

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

1 previously existing school districts and compliance with the consolidation
2 and unification plan.

3 Sec. 5. Section 15-908, Arizona Revised Statutes, is amended to
4 read:

5 15-908. Revenue control limit for school district after
6 consolidation

7 A resulting school district after consolidation of a school district
8 and unorganized territory or areas within another school district as
9 provided in section 15-459, subsection ~~H~~ C or section 15-460, subsection
10 A shall compute its allowable revenue control limit for the first budget
11 year as follows:

12 1. Divide the allowable revenue control limit for the budget year
13 of the school district ~~prior to~~ BEFORE consolidation by the student count
14 for the school district for the budget year.

15 2. Multiply the quotient obtained in paragraph 1 of this section by
16 the student count of the resulting school district for the budget year.
17 The product is the revenue control limit of the resulting school district
18 in the first budget year.

19 3. The student count used for unorganized territory is the student
20 count of pupils who resided in the unorganized territory ~~prior to~~ BEFORE
21 consolidation.

22 Sec. 6. Section 15-950, Arizona Revised Statutes, is amended to
23 read:

24 15-950. Revenue control limits for new school districts

25 A resulting common, high or unified school district after
26 consolidation of school districts as provided in section 15-459,
27 subsection B, paragraph 2 or 3 or subsection ~~H~~ C shall DETERMINE, in the
28 first budget year, ~~determine~~ its allowable revenue control limit as
29 follows:

30 1. Determine the allowable revenue control limit for the budget
31 year for each of the school districts to be consolidated as it would have
32 been in the absence of the consolidation.

33 2. Add the revenue control limits determined in paragraph 1 of this
34 section. The sum is the revenue control limit of the resulting school
35 district in the first year for which a budget is computed.

36 Sec. 7. Effective date

37 This act is effective from and after December 31, 2022.