

REFERENCE TITLE: community colleges; out-of-county reimbursement

State of Arizona
Senate
Fifty-fifth Legislature
Second Regular Session
2022

SB 1173

Introduced by
Senator Gowan

AN ACT

AMENDING SECTIONS 15-1469 AND 42-17203, ARIZONA REVISED STATUTES; RELATING
TO COMMUNITY COLLEGE DISTRICT FINANCE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 15-1469, Arizona Revised Statutes, is amended to
3 read:

4 15-1469. Attendance of nonresident state students; payment of
5 cost by county of residence and state

6 A. The district may admit students from any part of this state that
7 is not a part of an established community college district on the same
8 conditions as residents.

9 B. The county of the student's residence AND THIS STATE shall
10 reimburse the district as provided in this subsection AND SUBSECTION C OF
11 THIS SECTION. The TOTAL amount of reimbursement to each community college
12 district from each county that is not a part of an organized community
13 college district AND FROM THIS STATE shall be determined as follows:

14 1. For students attending classes within the established community
15 college district:

16 (a) Determine the number of full-time equivalent students attending
17 classes within the district from the county for the year preceding the
18 current year.

19 (b) Determine the operational expenses of the district for the
20 current year, excluding direct and indirect costs of noncredit courses and
21 direct and indirect costs of ~~300~~ 300-LEVEL and ~~400-level~~ 400-LEVEL
22 community college baccalaureate degree courses.

23 (c) Determine the amount of state aid the district received for the
24 current year as provided in section 15-1466.

25 (d) Subtract the amount of state aid received for the current year
26 determined in subdivision (c) of this paragraph from the amount of
27 operational expenses for the current year determined in subdivision (b) of
28 this paragraph.

29 (e) Determine the number of full-time equivalent students enrolled
30 in the district for the current year.

31 (f) Divide the amount determined in subdivision (d) of this
32 paragraph by the number of full-time equivalent students determined in
33 subdivision (e) of this paragraph.

34 (g) Multiply the amount determined in subdivision (f) of this
35 paragraph by the average number of full-time equivalent students for the
36 county determined as provided in subdivision (a) of this paragraph.

37 The resulting amount is the TOTAL amount of reimbursement to the district
38 from THIS STATE AND FROM the county for the budget year for students
39 attending classes within the established community college district. THIS
40 AMOUNT SHALL BE PAID TO THE DISTRICT AS PRESCRIBED IN SUBSECTION C OF THIS
41 SECTION.

42 2. For students attending classes offered by the district within
43 the county pursuant to section 15-1470, the amount specified in the
44 intergovernmental agreement is the amount of reimbursement to the district

1 from the county for the budget year for students attending classes within
2 the county.

3 C. THE AMOUNT CALCULATED PURSUANT TO SUBSECTION B, PARAGRAPH 1 OF
4 THIS SECTION SHALL BE PAID TO THE DISTRICT AS FOLLOWS:

5 1. THE COUNTY THAT IS NOT A PART OF AN ORGANIZED COMMUNITY COLLEGE
6 DISTRICT SHALL REIMBURSE THE DISTRICT FOR THE BUDGET YEAR FOR STUDENTS
7 ATTENDING CLASSES WITHIN THE ESTABLISHED COMMUNITY COLLEGE DISTRICT IN AN
8 AMOUNT THAT IS CALCULATED AS FOLLOWS:

9 (a) DIVIDE THE AMOUNT OF THE PRIMARY PROPERTY TAX LEVY OF THE
10 DISTRICT FROM THE CURRENT FISCAL YEAR BY THE NUMBER OF FULL-TIME
11 EQUIVALENT STUDENTS ENROLLED IN THE DISTRICT FOR THE CURRENT YEAR AS
12 DETERMINED IN SUBSECTION B, PARAGRAPH 1, SUBDIVISION (e) OF THIS SECTION.

13 (b) MULTIPLY THE AMOUNT CALCULATED PURSUANT TO SUBDIVISION (a) OF
14 THIS PARAGRAPH BY THE NUMBER OF FULL-TIME EQUIVALENT STUDENTS ATTENDING
15 CLASSES WITHIN THE DISTRICT FROM THE COUNTY FOR THE YEAR PRECEDING THE
16 CURRENT YEAR AS DETERMINED IN SUBSECTION B, PARAGRAPH 1, SUBDIVISION (a)
17 OF THIS SECTION.

18 2. AN AMOUNT THAT IS EQUAL TO THE AMOUNT CALCULATED PURSUANT TO
19 SUBSECTION B, PARAGRAPH 1 OF THIS SECTION MINUS THE AMOUNT THAT IS
20 CALCULATED PURSUANT TO PARAGRAPH 1 OF THIS SUBSECTION SHALL BE PAID TO THE
21 DISTRICT FROM THE STATE GENERAL FUND.

22 ~~C.~~ D. On or before May 15 of each year, the staff of the joint
23 legislative budget committee shall:

24 1. Determine the TOTAL amount of reimbursement to each district
25 from each county AND THIS STATE pursuant to subsection B, paragraph 1 of
26 this section AND THE AMOUNTS THAT EACH COUNTY AND THIS STATE MUST PAY TO
27 EACH DISTRICT UNDER SUBSECTION C OF THIS SECTION.

28 2. Notify the board of supervisors of each county of the amount it
29 ~~staff~~ MUST reimburse to each district pursuant to subsection ~~B~~ C,
30 paragraph 1 of this section for the budget year.

31 3. Notify each community college district THAT IS eligible to
32 receive reimbursement of the amount of reimbursement from each county AND
33 THIS STATE pursuant to subsection B, paragraph 1 AND SUBSECTION C of this
34 section for the budget year.

35 ~~D.~~ E. On or before November 15 and May 15 of each year, the board
36 of supervisors shall draw warrants on the county treasurer in favor of the
37 community college district for half of the amount due pursuant to
38 subsection B, PARAGRAPH 2 OR SUBSECTION C, PARAGRAPH 1 of this section.
39 The board of supervisors shall:

40 1. Pay monies from the county general fund or levy a community
41 college reimbursement levy pursuant to section 42-17203 for the amount of
42 reimbursement pursuant to an intergovernmental agreement for extension
43 courses as provided in section 15-1470.

1 2. Pay monies from the county general fund or levy a community
2 college reimbursement levy pursuant to section 42-17203 for the amount of
3 reimbursement pursuant to subsection ~~B~~ C, paragraph 1 of this section.

4 ~~F~~ F. Notwithstanding subsection ~~D~~ E of this section, a county
5 and a community college district may specify by intergovernmental
6 agreement that the amount of reimbursement due from the county be reduced
7 by the value of in-kind contributions made by the county to the district.

8 ~~F~~ G. For the purposes of subsection B, paragraph 1 of this
9 section, full-time equivalent students are determined in the same manner
10 prescribed by section 15-1466.01.

11 Sec. 2. Section 42-17203, Arizona Revised Statutes, is amended to
12 read:

13 42-17203. County levy for community college; election

14 A. A county that is not in an organized community college district
15 may conduct an election to authorize a property tax levy for community
16 college purposes that is not within the limitation on primary property
17 taxes that is otherwise prescribed by section 42-17051.

18 B. In order to levy taxes for community college purposes in excess
19 of the limitations otherwise prescribed on primary property tax, the board
20 of supervisors of a county that is not in an organized community college
21 district shall adopt a resolution by an affirmative vote of at least
22 two-thirds of its membership requesting the voters to approve a community
23 college reimbursement levy and setting the time and place for the
24 election.

25 C. The board shall submit the questions to the qualified electors
26 at an election held on the first Tuesday following the first Monday in
27 November as prescribed by section 16-204, subsection ~~B, paragraph 1,~~
28 ~~subdivision (d)~~ F. Except as otherwise provided in this section, the
29 election shall be held according to the provisions applying to bond
30 issuance elections in title 35, chapter 3, article 3.

31 D. In the resolution requesting the voters to approve the levy and
32 setting the time and place for the election, the board shall state:

33 1. The estimated maximum dollar amount of secondary property taxes
34 that could be collected in the first year if the voters approve the levy
35 for payment of tuition under section 15-1469, subsection ~~B~~ C,
36 paragraph 1.

37 2. The estimated secondary property tax rate that will be levied if
38 the voters approve the levy.

39 3. The estimated decrease of the primary property tax rate if the
40 voters approve the levy for the payment of tuition under section 15-1469,
41 subsection ~~B~~ C, paragraph 1.

42 4. That the amount of community college reimbursement levy will
43 vary from year to year to pay tuition under section 15-1469, subsection
44 ~~B~~ C, paragraph 1.

1 5. The maximum dollar amount of secondary property taxes that could
2 be collected in the first year if the voters approve the levy for payment
3 of tuition under section 15-1469, subsection B, paragraph 2 or to
4 establish a campus in the county that is affiliated with a community
5 college district as provided in subsection E of this section.

6 6. The maximum growth rate that will be allowed for secondary
7 property taxes collected in each subsequent year if the voters approve the
8 levy for payment of tuition under section 15-1469, subsection B, paragraph
9 2 or to establish a campus in the county that is affiliated with a
10 community college district as provided in subsection E of this section.

11 E. The board may use monies it collects under this section to
12 either:

13 1. Reimburse the costs of students pursuant to section 15-1469,
14 subsection B, paragraphs 1 and 2 as approved by the voters.

15 2. Establish a campus in the county that is affiliated with a
16 community college district.

17 F. If the levy is approved by the voters for purposes of
18 reimbursement pursuant to section 15-1469, the maximum amount of taxes
19 that the board may levy for any year in which the authority is in effect
20 is the amount of reimbursement pursuant to section 15-1469, subsection
21 ~~B~~ C, paragraph 1 and any portion of the reimbursement as specified in the
22 resolution pursuant to subsection D, paragraphs 5 and 6 of this section as
23 approved by the board of supervisors.

24 G. The board of supervisors shall levy the tax in the same manner
25 as county property taxes as provided in section 42-17151. If an
26 unexpended balance of the monies collected pursuant to this section
27 remains after satisfying the requirements of subsection E of this section,
28 the board shall use the balance to reduce the community college levy under
29 this section in the following year. If the balance exceeds the
30 requirements for the following year, the board shall use the balance to
31 reduce any other property tax authorized by law to be collected by the
32 county.

33 H. The amounts collected pursuant to this section:

34 1. Shall not be included in the levy limitation pursuant to section
35 42-17051 for any subsequent year.

36 2. Shall be collected from a levy of secondary property taxes.

37 3. Except as provided in this section, are exempt pursuant to
38 article IX, section 19, subsection (5), Constitution of Arizona, from levy
39 limitations.