REFERENCE TITLE: community college districts; tax rate

State of Arizona
Senate
Fifty-seventh Legislature
First Regular Session
2025

SB 1067

Introduced by
Senators Finchem: Angius; Representative Martinez

AN ACT

AMENDING SECTION 42-17151, ARIZONA REVISED STATUTES; RELATING TO PROPERTY TAX.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 42-17151, Arizona Revised Statutes, is amended to read:

42-17151. County, municipal, community college and school tax levy

A. On or before the third Monday in August each year, the governing body of each county, city, town, community college district and school district shall:

1. Fix, levy and assess the amount to be raised from primary property taxation and secondary property taxation. This amount, plus all other sources of revenue, as estimated, and restricted and unrestricted unencumbered balances from the preceding fiscal year, shall equal the total of amounts proposed to be spent in the budget for the current fiscal year.

2. Designate the amounts to be levied for each purpose appearing in the adopted budget.

3. Fix and determine a primary property tax rate and a secondary property tax rate, each rounded to four decimal places on each $100 of taxable property shown by the finally equalized valuations of property, minus exemptions, that appear on the tax rolls for the fiscal year, as determined by the assessor on or before February 10 of the tax year pursuant to section 42-17052, and that when extended on those valuations will produce, in the aggregate, the entire amount to be raised by direct taxation for that year. Amounts levied for debt service on bonds payable from the secondary tax are and shall be considered special revenues of the county, city, town or district, shall be kept in a special, segregated fund, are not and shall not be general property taxes and may not be used for any other purpose of the county, city, town or district.

B. The governing body of a county, city, town or community college district shall not fix, levy or assess an amount of primary property taxes in excess of the amount ~~permitted~~ ALLOWED by section 42-17051, subsection A, paragraph 7 or section 42-17005 as determined by the ~~property tax oversight~~ commission.

C. The governing board of a common school district, a high school district or a unified school district shall not fix, levy or assess a primary property tax rate higher than the current year's rate if the district meets both of the following criteria, as determined by the ~~property tax oversight~~ commission:

1. The total primary property taxes levied for all taxing jurisdictions on at least one-half of the residential property of the district exceed the limitation described in section 15-972, subsection E.

2. The school district primary property tax rate exceeds one hundred fifty percent of the applicable qualifying tax rate pursuant to section 41-1276. For the purposes of this paragraph, the school district

primary property tax rate does not include the tax rates computed pursuant to section 15-992, subsections B and F.

D. IF THE GOVERNING BOARD OF A COMMUNITY COLLEGE DISTRICT DETERMINED THAT THE TAX RATE PURSUANT TO SUBSECTION A, PARAGRAPH 3 OF THIS SECTION IS ONE-TENTH OF ONE PERCENT MORE THAN THE RATE IN THE CURRENT TAX YEAR, THE GOVERNING BOARD OF THE COMMUNITY COLLEGE DISTRICT SHALL SUBMIT THE RATE TO THE VOTERS IN THE DISTRICT FOR APPROVAL. THE ELECTION SHALL BE HELD ON THE FIRST TUESDAY AFTER THE FIRST MONDAY IN NOVEMBER AS PRESCRIBED BY SECTION 16-204, SUBSECTION F IN AS NEARLY AS PRACTICABLE THE SAME MANNER AS PRESCRIBED BY TITLE 35, CHAPTER 3, ARTICLE 3. THE BALLOT SHALL BE PRINTED WITH THE QUESTION "SHALL THE INCREASED PRIMARY PROPERTY TAX RATE FOR ________ COMMUNITY COLLEGE DISTRICT BE ADOPTED?" FOLLOWED BY SQUARES MARKED "YES" OR "NO" IN WHICH THE VOTER MAY INDICATE A VOTE FOR OR AGAINST THE PROPOSITION. IF A MAJORITY OF THE QUALIFIED ELECTORS VOTING APPROVE THE INCREASED TAX RATE, THAT RATE WILL BE THE TAX RATE FOR THE NEXT TAX YEAR. IF THE INCREASED TAX RATE IS NOT APPROVED, THE TAX RATE SHALL REMAIN THE SAME AS THE RATE FOR THE CURRENT TAX YEAR.

~~D.~~ E. Not later than December 31, the ~~property tax oversight~~ commission shall notify those school districts that meet the criteria described in subsection C of this section and the county school superintendents and boards of supervisors of the counties in which the school districts are located.

~~E.~~ F. Within three days after the final levies are determined for a county, city, town or community college district, the chief county fiscal officer shall notify the ~~property tax oversight~~ commission of the amount of the primary property tax levied.

~~F.~~ G. Pursuant to section 15-465.01, subsection E, an accommodation school governing board shall not levy a primary or secondary property tax. The ~~property tax oversight~~ commission shall consider any amount of property tax levied by a county in support of an accommodation school to be part of the county's primary levy for the purposes of determining the county's compliance with subsection B of this section.