

REFERENCE TITLE: school districts; lease agreements; requirements

State of Arizona
House of Representatives
Fifty-seventh Legislature
Second Regular Session
2026

HB 2384

Introduced by
Representatives Gress: Gillette

AN ACT

AMENDING SECTIONS 15-342, 15-491 AND 15-1105, ARIZONA REVISED STATUTES;
AMENDING TITLE 41, CHAPTER 56, ARTICLE 1, ARIZONA REVISED STATUTES, BY
ADDING SECTION 41-5702.01; RELATING TO SCHOOL FACILITIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 15-342, Arizona Revised Statutes, is amended to
3 read:

4 15-342. Discretionary powers

5 The governing board OF A SCHOOL DISTRICT may:

6 1. Expel pupils for misconduct.

7 2. Exclude from grades one through eight children WHO ARE under six
8 years of age.

9 3. Make such separation of groups of pupils as ~~it~~ THE GOVERNING
10 BOARD deems advisable.

11 4. Maintain such special schools during vacation as deemed
12 necessary for the benefit of the pupils of the school district.

13 5. Allow a superintendent or principal or representatives of the
14 superintendent or principal to travel for a school purpose, as determined
15 by a majority vote of the board. The board may allow members and
16 members-elect of the board to travel within or without the school district
17 for a school purpose and receive reimbursement. Any expenditure for
18 travel and subsistence pursuant to this paragraph shall be as provided in
19 title 38, chapter 4, article 2. The designated post of duty referred to
20 in section 38-621 shall be construed, for school district governing board
21 members, to be the member's actual place of residence, as opposed to the
22 school district office or the school district boundaries. Such
23 expenditures shall be a charge against the budgeted school district funds.
24 The governing board of a school district shall prescribe procedures and
25 amounts for reimbursement of lodging and subsistence expenses.
26 Reimbursement amounts shall not exceed the maximum amounts established
27 pursuant to section 38-624, subsection C.

28 6. Construct or provide in rural districts housing facilities for
29 teachers and other school employees that the board determines are
30 necessary to operate the school.

31 7. Sell or lease to the state, a county, a city, another school
32 district or a tribal government agency any school property required for a
33 public purpose if the sale or lease of the property will not affect the
34 normal operations of a school within the school district. A LEASE THAT A
35 SCHOOL DISTRICT ENTERS INTO PURSUANT TO THIS PARAGRAPH MUST BE FOR A TERM
36 OF NOT MORE THAN TEN YEARS WITHOUT VOTER APPROVAL OR LESS THAN TWENTY
37 YEARS WITH VOTER APPROVAL.

38 8. Annually budget and spend monies for membership in an
39 association of school districts within this state.

40 9. Enter into leases or lease-purchase agreements for school
41 buildings or grounds, or both, as lessor or as lessee, for periods of less
42 than twenty years subject to voter approval for construction of school
43 buildings as prescribed in section 15-341, subsection A, paragraph 7 AND
44 VOTER APPROVAL FOR A LEASE FOR A PERIOD OF AT LEAST TEN YEARS. A SCHOOL
45 DISTRICT MAY ENTER INTO A LEASE-PURCHASE AGREEMENT AS LESSEE PURSUANT TO

1 THIS PARAGRAPH ONLY IF THE SCHOOL BUILDINGS OR GROUNDS ARE LOCATED WITHIN
2 THE GEOGRAPHIC BOUNDARIES OF THE SCHOOL DISTRICT.

3 10. Subject to title 41, chapter 56, sell school sites or enter
4 into leases or lease-purchase agreements for school buildings and grounds,
5 as lessor or as lessee, for a period of LESS THAN twenty years ~~or more,~~
6 ~~but not to exceed ninety-nine years if.~~ A SCHOOL DISTRICT MAY ENTER INTO
7 A LEASE OR LEASE-PURCHASE AGREEMENT AS LESSEE PURSUANT TO THIS PARAGRAPH
8 ONLY IF THE SCHOOL BUILDINGS OR GROUNDS ARE LOCATED WITHIN THE GEOGRAPHIC
9 BOUNDARIES OF THE SCHOOL DISTRICT. BEFORE ANY SALE, LEASE OR
10 LEASE-PURCHASE AGREEMENT IS EXECUTED PURSUANT TO THIS PARAGRAPH, THE
11 PROPOSAL MUST BE authorized by a vote of the school district electors in
12 an election called by the governing board as provided in section 15-491,
13 except that authorization by the school district electors in an election
14 is not required if THE LEASE OR LEASE-PURCHASE AGREEMENT IS FOR A PERIOD
15 OF NOT MORE THAN TEN YEARS OR one of the following requirements is met:

16 (a) The market value of the school property is less than \$50,000 or
17 the property is procured through a renewable energy development agreement,
18 an energy performance contract, which among other items includes a
19 renewable energy power service agreement, or a simplified energy
20 performance contract pursuant to section 15-213.01.

21 (b) The buildings and sites are completely funded with monies
22 distributed by the ~~school facilities~~ division OF SCHOOL FACILITIES within
23 the department of administration or at the direction of the school
24 facilities oversight board, or its predecessor.

25 (c) The transaction involves the sale of improved or unimproved
26 property pursuant to an agreement with the school facilities oversight
27 board in which the school district agrees to sell the improved or
28 unimproved property and transfer the proceeds of the sale to the school
29 facilities oversight board in exchange for monies from the school
30 facilities oversight board for the acquisition of a more suitable school
31 site. For a sale of property acquired by a school district before July 9,
32 1998, a school district shall transfer to the school facilities oversight
33 board that portion of the proceeds that equals the cost of the acquisition
34 of a more suitable school site. If there are any remaining proceeds after
35 the transfer of monies to the school facilities oversight board, a school
36 district shall only use those remaining proceeds for future land purchases
37 approved by the school facilities oversight board, or for capital
38 improvements not funded by the school facilities oversight board for any
39 existing or future facility.

40 (d) The transaction involves the sale of improved or unimproved
41 property pursuant to a formally adopted plan and the school district uses
42 the proceeds of this sale to purchase other property that will be used for
43 similar purposes as the property that was originally sold if the sale
44 proceeds of the improved or unimproved property are used within two years
45 after the date of the original sale to purchase the replacement

1 property. If the sale proceeds of the improved or unimproved property are
2 not used within two years after the date of the original sale to purchase
3 replacement property, the sale proceeds shall be used toward paying any
4 outstanding bonded indebtedness. If any sale proceeds remain after paying
5 for outstanding bonded indebtedness, or if the district has no outstanding
6 bonded indebtedness, sale proceeds shall be used to reduce the district's
7 primary tax levy. A school district shall not use this subdivision unless
8 all of the following conditions exist:

9 (i) The school district is the sole owner of the improved or
10 unimproved property that the school district intends to sell.

11 (ii) The school district did not purchase the improved or
12 unimproved property that the school district intends to sell with monies
13 that were distributed pursuant to title 41, chapter 56.

14 (iii) The transaction does not violate section 15-341,
15 subsection G.

16 11. Review the decision of a teacher to promote a pupil to a grade
17 or retain a pupil in a grade in a common school or to pass or fail a pupil
18 in a course in high school. The pupil has the burden of proof to overturn
19 the decision of a teacher to promote, retain, pass or fail the pupil. In
20 order to sustain the burden of proof, the pupil shall demonstrate to the
21 governing board that the pupil has mastered the academic standards adopted
22 by the state board of education pursuant to sections 15-701 and 15-701.01.
23 If the governing board overturns the decision of a teacher pursuant to
24 this paragraph, the governing board shall adopt a written finding that the
25 pupil has mastered the academic standards. Notwithstanding title 38,
26 chapter 3, article 3.1, the governing board shall review the decision of a
27 teacher to promote a pupil to a grade or retain a pupil in a grade in a
28 common school or to pass or fail a pupil in a course in high school in
29 executive session unless a parent or legal guardian of the pupil or the
30 pupil, if emancipated, disagrees that the review should be conducted in
31 executive session and then the review shall be conducted in an open
32 meeting. If the review is conducted in executive session, the board shall
33 notify the teacher of the date, time and place of the review and shall
34 allow the teacher to be present at the review. If the teacher is not
35 present at the review, the board shall consult with the teacher before
36 making its decision. Any request, including the written request as
37 provided in section 15-341, the written evidence presented at the review
38 and the written record of the review, including the decision of the
39 governing board to accept or reject the teacher's decision, shall be
40 retained by the governing board as part of its permanent records.

41 12. Provide transportation or site transportation loading and
42 unloading areas for any child or children if deemed ~~for~~ IN the best
43 interest of the district, whether within or without the district, county
44 or state.

1 13. Enter into intergovernmental agreements and contracts with
2 school districts or other governing bodies as provided in section 11-952.
3 Intergovernmental agreements and contracts between school districts or
4 between a school district and other governing bodies as provided in
5 section 11-952 are exempt from competitive bidding under the procurement
6 rules adopted by the state board of education pursuant to section 15-213.

7 14. Include in the curricula ~~it~~ **THE GOVERNING BOARD** prescribes for
8 high schools in the school district career and technical education,
9 vocational education and technology education programs and career and
10 technical, vocational and technology program improvement services for the
11 high schools, subject to approval by the state board of education. The
12 governing board may contract for the provision of career and technical,
13 vocational and technology education as provided in section 15-789.

14 15. Suspend a teacher or administrator from the teacher's or
15 administrator's duties without pay for a period of time of not ~~to exceed~~
16 **MORE THAN** ten school days, ~~if~~ if the board determines that suspension is
17 warranted pursuant to section 15-341, subsection A, paragraph 21 or 22.

18 16. Dedicate school property within an incorporated city or town to
19 that city or town or within a county to that county for use as a public
20 right-of-way if both of the following apply:

21 (a) Pursuant to an ordinance adopted by the city, town or county,
22 there will be conferred on the school district privileges and benefits
23 that may include benefits related to zoning.

24 (b) The dedication will not affect the normal operation of any
25 school within the district.

26 17. Enter into option agreements for the purchase of school sites
27 **ONLY IF THE SCHOOL SITES ARE LOCATED WITHIN THE GEOGRAPHIC BOUNDARIES OF**
28 **THE SCHOOL DISTRICT.**

29 18. Donate surplus or outdated learning materials, educational
30 equipment and furnishings to nonprofit community organizations if the
31 governing board determines that the anticipated cost of selling the
32 learning materials, educational equipment or furnishings equals or exceeds
33 the estimated market value of the materials.

34 19. Prescribe policies to assess reasonable fees for students to
35 use district-provided parking facilities. The fees are to be applied by
36 the district solely against costs incurred in operating or securing the
37 parking facilities. Any policy adopted by the governing board pursuant to
38 this paragraph shall include a fee waiver provision in appropriate cases
39 of need or economic hardship.

40 20. Establish alternative education programs that are consistent
41 with the laws of this state to educate pupils, including pupils who have
42 been reassigned pursuant to section 15-841, subsection E or F.

43 21. Require a period of silence to be observed at the commencement
44 of the first class of the day in the schools. If a governing board
45 chooses to require a period of silence to be observed, the teacher in

1 charge of the room in which the first class is held shall announce that a
2 period of silence not to exceed one minute in duration will be observed
3 for meditation, and during that time no activities shall take place and
4 silence shall be maintained.

5 22. Require students to wear uniforms.

6 23. Exchange unimproved property or improved property, including
7 school sites, if the governing board determines that the improved property
8 is unnecessary for the continued operation of the school district without
9 requesting authorization by a vote of the school district electors and if
10 the governing board determines that the exchange is necessary to protect
11 the health, safety or welfare of pupils or if the governing board
12 determines that the exchange is based on sound business principles for
13 either:

14 (a) Unimproved or improved property of equal or greater value.

15 (b) Unimproved property that the owner contracts to improve if the
16 value of the property ultimately received by the school district is of
17 equal or greater value.

18 24. For common and high school pupils, assess reasonable fees for
19 optional extracurricular activities and programs conducted when the common
20 or high school is not in session, except that fees shall not be charged
21 for pupils' access to or use of computers or related materials. For high
22 school pupils, the governing board may assess reasonable fees for fine
23 arts and vocational education courses and for optional services, equipment
24 and materials offered to the pupils beyond those required to successfully
25 complete the basic requirements of any other course, except that fees
26 shall not be charged for pupils' access to or use of computers or related
27 materials. Fees assessed pursuant to this paragraph shall be adopted at a
28 public meeting after notice has been given to all parents of pupils
29 enrolled at schools in the district and shall not exceed the actual costs
30 of the activities, programs, services, equipment or materials. The
31 governing board shall authorize principals to waive the assessment of all
32 or part of a fee assessed pursuant to this paragraph if it creates an
33 economic hardship for a pupil. For the purposes of this paragraph,
34 "extracurricular activity" means any optional, noncredit, educational or
35 recreational activity that supplements the education program of the
36 school, whether offered before, during or after regular school hours.

37 25. Notwithstanding section 15-341, subsection A, paragraphs 7 and
38 9, construct school buildings and purchase or lease school sites **FOR A**
39 **TERM OF NOT MORE THAN TEN YEARS**, without a vote of the school district
40 electors, if the buildings and sites are **LOCATED WITHIN THE GEOGRAPHIC**
41 **BOUNDARIES OF THE SCHOOL DISTRICT AND ARE** totally funded from one or more
42 of the following:

43 (a) Monies in the unrestricted capital outlay fund, except that the
44 estimated cost shall not exceed \$250,000 for a district that uses section
45 15-949.

1 (b) Monies distributed at the direction of the school facilities
2 oversight board established by section 41-5701.02 or by the ~~school~~
3 ~~facilities~~ division OF SCHOOL FACILITIES within the department of
4 administration pursuant to title 41, chapter 56.

5 (c) Monies specifically donated for the purpose of constructing
6 school buildings.

7 This paragraph does not eliminate the requirement for an election to raise
8 revenues for a capital outlay override pursuant to section 15-481 or a
9 bond election pursuant to section 15-491. A SCHOOL DISTRICT GOVERNING
10 BOARD MAY PURCHASE A SCHOOL SITE PURSUANT TO THIS PARAGRAPH ONLY IF THE
11 SCHOOL SITE IS LOCATED WITHIN THE GEOGRAPHIC BOUNDARIES OF THE SCHOOL
12 DISTRICT.

13 26. Conduct a background investigation that includes a fingerprint
14 check conducted pursuant to section 41-1750, subsection G for certificated
15 personnel and personnel who are not paid employees of the school district,
16 as a condition of employment. A school district may release the results
17 of a background check to another school district for employment purposes.
18 The school district may charge the costs of fingerprint checks to its
19 fingerprinted employee, except that the school district may not charge the
20 costs of fingerprint checks for personnel who are not paid employees of
21 the school district.

22 27. Unless otherwise prohibited by law, sell advertising as
23 follows:

24 (a) Advertisements shall be age appropriate and not promote any
25 substance that is illegal for minors such as alcohol, tobacco and drugs or
26 gambling. Advertisements shall comply with the state sex education policy
27 of abstinence.

28 (b) Advertising approved by the governing board for the exterior of
29 school buses may appear only on the sides of the bus in the following
30 areas:

31 (i) The signs shall be below the seat level rub rail and not extend
32 above the bottom of the side windows.

33 (ii) The signs shall be at least three inches from any required
34 lettering, lamp, wheel well or reflector behind the service door or stop
35 signal arm.

36 (iii) The signs shall not extend from the body of the bus so as to
37 allow a handhold or present a danger to pedestrians.

38 (iv) The signs shall not interfere with the operation of any door
39 or window.

40 (v) The signs shall not be placed on any emergency doors.

41 (c) The school district shall establish an advertisement fund that
42 is composed of revenues from the sale of advertising. The monies in an
43 advertisement fund are not subject to reversion.

44 28. Assess reasonable damage deposits to pupils in grades seven
45 through twelve for using textbooks, musical instruments, band uniforms or

1 other equipment required for academic courses. The governing board shall
2 adopt policies on any damage deposits assessed pursuant to this paragraph
3 at a public meeting called for this purpose after providing notice to all
4 parents of pupils in grades seven through twelve in the school district.
5 Principals of individual schools within the district may waive the damage
6 deposit requirement for any textbook or other item if the payment of the
7 damage deposit would create an economic hardship for the pupil. The
8 school district shall return the full amount of the damage deposit for any
9 textbook or other item if the pupil returns the textbook or other item in
10 reasonably good condition within the time period prescribed by the
11 governing board. For the purposes of this paragraph, "in reasonably good
12 condition" means the textbook or other item is in the same or a similar
13 condition as it was when the pupil received it, plus ordinary wear and
14 tear.

15 29. Notwithstanding section 15-1105, ~~expend~~ SPEND surplus monies in
16 the civic center school fund for maintenance and operations or
17 unrestricted capital outlay if sufficient monies are available in the fund
18 after meeting the needs of programs established pursuant to section
19 15-1105.

20 30. Notwithstanding section 15-1143, spend surplus monies in the
21 community school program fund for maintenance and operations or
22 unrestricted capital outlay if sufficient monies are available in the fund
23 after meeting the needs of programs established pursuant to section
24 15-1142.

25 31. Adopt guidelines to standardize the format of the school report
26 cards required by section 15-746 for schools within the district.

27 32. Adopt policies that require parental notification when a law
28 enforcement officer interviews a pupil on school grounds. Policies
29 adopted pursuant to this paragraph shall not impede a peace officer from
30 performing the peace officer's duties. If the school district governing
31 board adopts a policy that requires parental notification:

32 (a) The policy may provide reasonable exceptions to the parental
33 notification requirement.

34 (b) The policy shall set forth whether and under what circumstances
35 a parent may be present when a law enforcement officer interviews the
36 pupil, including reasonable exceptions to the circumstances under which a
37 parent may be present when a law enforcement officer interviews the pupil,
38 and shall specify a reasonable maximum time after a parent is notified
39 that an interview of a pupil by a law enforcement officer may be delayed
40 to allow the parent to be present.

41 33. Enter into voluntary partnerships with any party to finance
42 with monies other than school district monies and cooperatively design
43 school facilities that comply with the adequacy standards prescribed in
44 section 41-5711 and the square footage per pupil requirements pursuant to
45 section 41-5741, subsection D, paragraph 3, subdivision (b). The design

1 plans and location of any such school facility shall be submitted to the
2 school facilities oversight board for approval pursuant to section
3 41-5741, subsection 0. If the school facilities oversight board approves
4 the design plans and location of any such school facility, the party in
5 partnership with the school district may cause to be constructed and the
6 district may begin operating the school facility before monies are
7 distributed at the direction of the school facilities oversight board
8 pursuant to section 41-5741. Monies distributed from the new school
9 facilities fund to a school district in a partnership with another party
10 to finance and design the school facility shall be paid to the school
11 district pursuant to section 41-5741. The school district shall reimburse
12 the party in partnership with the school district from the monies paid to
13 the school district pursuant to section 41-5741, in accordance with the
14 voluntary partnership agreement. Before the school facilities oversight
15 board directs the distribution of any monies pursuant to this subsection,
16 the school district shall demonstrate to the school facilities oversight
17 board that the facilities to be funded pursuant to section 41-5741,
18 subsection 0 meet the minimum adequacy standards prescribed in section
19 41-5711. If the cost to construct the school facility exceeds the amount
20 that the school district receives from the new school facilities fund, the
21 partnership agreement between the school district and the other party
22 shall specify that, except as otherwise provided by the other party, any
23 such excess costs shall be the responsibility of the school district. The
24 school district governing board shall adopt a resolution in a public
25 meeting that an analysis has been conducted on the prospective effects of
26 the decision to operate a new school with existing monies from the school
27 district's maintenance and operations budget and how this decision may
28 affect other schools in the school district. If a school district
29 acquires land by donation at an appropriate school site approved by the
30 school facilities oversight board and a school facility is financed and
31 built on the land pursuant to this paragraph, the school facilities
32 oversight board shall direct the distribution of an amount equal to twenty
33 percent of the fair market value of the land that can be used for academic
34 purposes. The school district shall place the monies in the unrestricted
35 capital outlay fund and increase the unrestricted capital budget limit by
36 the amount of the monies placed in the fund. Monies distributed under
37 this paragraph shall be distributed from the new school facilities fund
38 pursuant to section 41-5741. If a school district acquires land by
39 donation at an appropriate school site approved by the school facilities
40 oversight board and a school facility is financed and built on the land
41 pursuant to this paragraph, the school district shall not receive monies
42 for the donation of real property pursuant to section 41-5741,
43 subsection F. It is unlawful for:

44 (a) A county, city or town to require as a condition of any land
45 use approval that a landowner or landowners that entered into a

1 partnership pursuant to this paragraph provide any contribution, donation
2 or gift, other than a site donation, to a school district. This
3 subdivision only applies to the property in the voluntary partnership
4 agreement pursuant to this paragraph.

5 (b) A county, city or town to require as a condition of any land
6 use approval that the landowner or landowners located within the
7 geographic boundaries of the school subject to the voluntary partnership
8 pursuant to this paragraph provide any donation or gift to the school
9 district except as provided in the voluntary partnership agreement
10 pursuant to this paragraph.

11 (c) A community facilities district established pursuant to title
12 48, chapter 4, article 6 to be used for reimbursement of financing the
13 construction of a school pursuant to this paragraph.

14 (d) A school district to enter into an agreement pursuant to this
15 paragraph with any party other than a master planned community party. Any
16 land area consisting of at least three hundred twenty acres that is the
17 subject of a development agreement with a county, city or town entered
18 into pursuant to section 9-500.05 or 11-1101 shall be deemed to be a
19 master planned community. For the purposes of this subdivision, "master
20 planned community" means a land area consisting of at least three hundred
21 twenty acres, which may be noncontiguous, that is the subject of a zoning
22 ordinance approved by the governing body of the county, city or town in
23 which the land is located that establishes the use of the land area as a
24 planned area development or district, planned community development or
25 district, planned unit development or district or other land use category
26 or district that is recognized in the local ordinance of such county, city
27 or town and that specifies the use of such land is for a master planned
28 development.

29 34. Enter into an intergovernmental agreement with a presiding
30 judge of the juvenile court to implement a law-related education program
31 as defined in section 15-154. The presiding judge of the juvenile court
32 may assign juvenile probation officers to participate in a law-related
33 education program in any school district in the county. The cost of
34 juvenile probation officers who participate in the program implemented
35 pursuant to this paragraph shall be funded by the school district.

36 35. Offer to sell outdated learning materials, educational
37 equipment or furnishings at a posted price commensurate with the value of
38 the items to pupils who are currently enrolled in that school district
39 before those materials are offered for public sale.

40 36. If the school district is a small school district as defined in
41 section 15-901, and if allowed by federal law, opt out of federal grant
42 opportunities if the governing board determines that the federal
43 requirements impose unduly burdensome reporting requirements.

44 37. Prescribe and enforce policies and procedures for the emergency
45 administration of inhalers by trained employees of the school district and

1 nurses who are under contract with the school district pursuant to section
2 15-158.

3 38. Develop policies and procedures to allow principals to budget
4 for or assist with budgeting federal, state and local monies.

5 39. Subject to article IX, section 7, Constitution of Arizona, the
6 laws pertaining to travel and subsistence, gifts, grants, including
7 federal grants, or devises and policies adopted by the department of
8 education, provide food and beverages at school district events, including
9 official school functions and trainings.

10 Sec. 2. Section 15-491, Arizona Revised Statutes, is amended to
11 read:

12 15-491. Elections on school property; exceptions

13 A. The governing board of a school district may, and on petition of
14 fifteen percent of the school electors as shown by the poll list at the
15 last preceding annual school election shall, call an election for the
16 following purposes:

17 1. To locate or change the location of school buildings.

18 2. To purchase or sell school sites or buildings or sell school
19 sites pursuant to section 15-342 or to build school buildings, but the
20 authorization by vote of the school district shall not necessarily specify
21 the site to be purchased. **A SCHOOL DISTRICT GOVERNING BOARD MAY NOT**
22 **PURCHASE A SCHOOL SITE OR BUILDING THAT IS LOCATED OUTSIDE THE GEOGRAPHIC**
23 **BOUNDARIES OF THE SCHOOL DISTRICT.**

24 3. To decide whether the bonds of the school district shall be
25 issued and sold for the purpose of raising monies for purchasing or
26 leasing school lots, for building or renovating school buildings, for
27 supplying school buildings with furniture, equipment and technology, for
28 improving school grounds, for purchasing pupil transportation vehicles or
29 for liquidating any indebtedness already incurred for such purposes.
30 Bonds issued for furniture, equipment and technology, other than fixtures,
31 shall mature not later than the July 1 that follows the fifth year after
32 the bonds were issued. A school district shall not issue class B bonds
33 until the school district has obligated in contract the entire proceeds of
34 any class A bonds issued by the school district. The total amount of
35 class A and class B bonds issued by a school district shall not exceed the
36 debt limitations prescribed in article IX, sections 8 and 8.1,
37 Constitution of Arizona.

38 4. To lease for **AT LEAST TEN YEARS BUT NOT MORE THAN** twenty ~~or more~~
39 years, as lessor or as lessee, school buildings or grounds. Approval by a
40 majority of the school district electors voting authorizes the governing
41 board to negotiate for and enter into a lease. The ballot shall list the
42 school buildings or grounds for which a lease is sought. If the governing
43 board does not enter into a lease ~~of~~ **THAT IS AT LEAST TEN YEARS BUT NOT**
44 **MORE THAN** twenty ~~or more~~ years of the school buildings or grounds listed
45 on the ballot within ~~twenty~~ **TEN** years after the date of the election and

1 the board continues to seek such a lease, the governing board shall call a
2 special election to reauthorize the board to negotiate for and to enter
3 into a lease ~~of~~ THAT IS AT LEAST TEN YEARS BUT NOT MORE THAN twenty ~~or~~
4 ~~more~~ years.

5 5. To change the list of capital projects or the purposes
6 authorized by prior voter approval to issue bonds.

7 6. To extend from six to ten years the time period to issue class B
8 bonds authorized in 2009 or earlier. Elections pursuant to this paragraph
9 may not be held later than the sixth November after the election approving
10 the issuance of the bonds.

11 B. A petition is not required for holding the first election to be
12 held in a joint common school district for any of the purposes specified
13 in subsection A of this section. The certification of election results
14 required by section 15-493 shall be made to the board of supervisors of
15 the jurisdictional county.

16 C. When the election is called to determine whether or not bonds of
17 the school district shall be issued and sold for the purposes enumerated
18 in the call for the election, the question shall be submitted to the vote
19 of the qualified electors of the school district as defined in section
20 15-401 and subject to section 15-402.

21 D. The governing board shall order the election to be held and the
22 election notice and procedures to be conducted in the manner prescribed in
23 title 35, chapter 3, article 3. If a petition for an election has been
24 filed with the governing board as provided in subsection A of this
25 section, the board shall act on the petition within sixty days by ordering
26 the election to be held as provided in this subsection. If a school
27 district bond election is scheduled for the same date a school district
28 will hold an override election, the governing body shall deliver a copy of
29 the notice of election and ballot to the county school superintendent who
30 shall include the notice of election and ballot with the informational
31 pamphlet and ballot prepared for the override election. Mailing of the
32 information required for both the override and bond elections shall
33 constitute compliance with the notice provisions of this section.

34 E. The elections to be held pursuant to this section shall only be
35 held on dates prescribed by section 16-204, except that elections held
36 pursuant to this section to decide whether class B bonds shall be issued,
37 or any other obligation incurred that will require the assessment of
38 secondary property taxes, shall only be held on the first Tuesday after
39 the first Monday of November.

40 F. Subsection A, paragraph 2 of this section does not apply to the
41 sale of school property if the market value of the school property is less
42 than \$50,000.

43 G. Bond counsel fees, financial advisory fees, printing costs and
44 paying agent and registrar fees for bonds issued pursuant to an election
45 under this section shall be paid from either the amount authorized by the

1 qualified electors of the school district or current operating funds.
2 Bond election expenses shall be paid from current operating funds only.

3 H. For any election conducted to decide whether class B bonds will
4 be issued pursuant to this section:

5 1. Except as provided in paragraph 2 of this subsection, the ballot
6 shall include the following statement:

7 The capital improvements that are proposed to be funded
8 through this bond issuance are to exceed the state standards
9 and are in addition to monies provided by the state.

10 _____ school district is proposing to issue class B
11 general obligation bonds totaling \$_____ to fund capital
12 improvements over and above those funded by the state. Under
13 the students first capital funding system, _____ school
14 district is entitled to state monies for new construction and
15 renovation of school buildings in accordance with state law.

16 2. For a school district that is a career technical education
17 district, the ballot shall include the following statement:

18 _____, a career technical education district, is
19 proposing to issue class B general obligation bonds totaling
20 \$_____ to fund capital improvements at a campus owned or
21 operated and maintained by the career technical education
22 district.

23 3. The ballot shall conform to the requirements of title 35,
24 chapter 3, article 3.

25 4. At least eighty-five days before the election, the school
26 district shall submit proposed ballot language to the county school
27 superintendent and the director of the Arizona legislative council. The
28 director of the Arizona legislative council shall review the proposed
29 ballot language to determine whether the proposed ballot language complies
30 with this section. If the director of the Arizona legislative council
31 determines that the proposed ballot language does not comply with this
32 section, the director, within ten calendar days after receiving the
33 proposed ballot language, shall notify the school district and the county
34 school superintendent of the director's objections, and the school
35 district shall resubmit revised ballot language to the director for
36 approval.

37 5. Not later than thirty-five days before a class B bond election
38 conducted pursuant to this section, the school district shall mail an
39 informational pamphlet prepared by the county school superintendent to
40 each household that contains a qualified elector in the school
41 district. The informational pamphlet shall contain, at a minimum, the
42 following information:

43 (a) An executive summary of the school district's most recent
44 capital plan submitted to the school facilities oversight board.

1 (b) A complete list of each proposed capital improvement that will
2 be funded with the proceeds of the bonds and a description of the proposed
3 cost of each improvement, including a separate aggregation of capital
4 improvements for administrative purposes as defined by the school
5 facilities oversight board.

6 (c) The tax rate associated with each of the proposed capital
7 improvements and the estimated cost of each capital improvement for the
8 owner of a single family home that is valued at \$100,000.

9 I. For any election conducted to decide whether impact aid revenue
10 bonds shall be issued pursuant to this section:

11 1. The ballot shall include the following statement:

12 The capital improvements that are proposed to be funded
13 through this bond issuance are to exceed the state standards
14 and are in addition to monies provided by the state.

15 _____ school district is proposing to issue impact
16 aid revenue bonds totaling \$_____ to fund capital
17 improvements over and above those funded by the state. Under
18 the students first capital funding system, _____ school
19 district is entitled to state monies for new construction and
20 renovation of school buildings in accordance with state law.

21 2. The ballot shall contain the words "bond approval, yes" and
22 "bond approval, no", and the voter shall signify the voter's desired
23 choice.

24 3. At least eighty-five days before the election, the school
25 district shall submit proposed ballot language to the director of the
26 legislative council. The director of the legislative council shall review
27 the proposed ballot language to determine whether the proposed ballot
28 language complies with this section. If the director of the legislative
29 council determines that the proposed ballot language does not comply with
30 this section, the director, within ten calendar days after receiving the
31 proposed ballot language, shall notify the school district of the
32 director's objections, and the school district shall resubmit revised
33 ballot language to the director for approval.

34 4. Not later than thirty-five days before an impact aid revenue
35 bond election conducted pursuant to this section, the school district
36 shall mail an informational pamphlet prepared by the county school
37 superintendent to each household that contains a qualified elector in the
38 school district. The informational pamphlet shall contain, at a minimum,
39 the following information:

40 (a) The date of the election.

41 (b) The voter's polling place and the times it is open.

42 (c) An executive summary of the school district's most recent
43 capital plan submitted to the school facilities oversight board.

44 (d) A complete list of each proposed capital improvement that will
45 be funded with the proceeds of the bonds and a description of the proposed

1 cost of each improvement, including a separate aggregation of capital
2 improvements for administrative purposes as defined by the school
3 facilities oversight board.

4 (e) A statement that impact aid revenue bonds will be fully funded
5 by aid that the school district receives from the federal government and
6 do not require a levy of taxes in the district.

7 (f) A statement that if the bonds are approved, the first priority
8 for the impact aid will be to pay the debt service for the bonds and that
9 other uses of the monies are prohibited until the debt service obligation
10 is met.

11 (g) A statement that if the impact aid revenue bonds are approved,
12 the school district shall not issue or sell class B bonds while the
13 district has existing indebtedness from impact aid revenue bonds, except
14 for bonds issued to refund any bonds issued by the board.

15 J. If the voters approve the issuance of school district class B
16 bonds or impact aid revenue bonds, the school district shall not use the
17 bond proceeds for any purposes other than the proposed capital
18 improvements listed in the informational pamphlet, except that up to ten
19 percent of the bond proceeds may be used for general capital expenses,
20 including cost overruns of proposed capital improvements. The proposed
21 capital improvements may be changed by a subsequent election as provided
22 by this section.

23 K. Each school district that issues bonds under this section shall
24 hold a public meeting each year between September 1 and October 31, until
25 the bond proceeds are spent, at which an update of the progress of capital
26 improvements financed through bonding is discussed and at which the public
27 is allowed an opportunity to comment. At a minimum, the update shall
28 include a comparison of the current status and the original projections on
29 the construction of capital improvements, the costs of capital
30 improvements and the costs of capital improvements in progress or
31 completed since the prior meeting and the future capital bonding plans of
32 the school district. The school district shall include in the public
33 meeting a discussion of the school district's use of state capital aid and
34 voter-approved capital overrides in funding capital improvements, if any.

35 L. If an election is held to change the purpose or list of capital
36 projects authorized by prior voter approval to issue bonds pursuant to
37 subsection A, paragraph 5 of this section, the following requirements
38 apply:

39 1. The election may be held only on the first Tuesday after the
40 first Monday in November.

41 2. Not later than thirty-five days before the election, the school
42 district shall mail an informational pamphlet prepared by the county
43 school superintendent to each household in the school district that
44 contains a qualified elector. The informational pamphlet shall contain,
45 at a minimum, the following information:

- 1 (a) The date of the election.
- 2 (b) The voter's polling place and the times it is open.
- 3 (c) A statement as to why the election was called.
- 4 (d) A complete list of each proposed capital improvement that is in
5 addition to the initial capital improvements presented in the
6 informational pamphlet when the bonds were approved and the proposed cost
7 of each improvement, including a separate aggregation of capital
8 improvements for administrative purposes as defined by the school
9 facilities oversight board.
- 10 (e) A complete list of each capital improvement that was presented
11 in the informational pamphlet when the bonds were initially approved and
12 that is proposed to be eliminated or to have its cost reduced, and the
13 proposed cost of each improvement, including a separate aggregation of
14 capital improvements for administrative purposes as defined by the school
15 facilities oversight board.
- 16 (f) Arguments for and against the proposed change, if submitted, as
17 provided by section 15-481, subsection B, paragraph 9. The ballot
18 arguments for the proposed change shall be signed as the governing board
19 of the school district without listing any member's individual name for
20 the arguments for the proposed change.
- 21 3. The ballot shall contain the words "change capital improvements,
22 yes" and "change capital improvements, no", and the voter shall signify
23 the voter's desired choice.
- 24 4. If the election is to add a purpose that was not on the initial
25 ballot, the ballot shall list the purpose that is proposed to be added.
- 26 M. If an election is held to extend the time to issue bonds
27 pursuant to subsection A, paragraph 6 of this section, the following
28 requirements apply:
- 29 1. The election may be held only on the first Tuesday after the
30 first Monday in November.
- 31 2. Not later than thirty-five days before the election, the school
32 district shall mail an informational pamphlet prepared by the county
33 school superintendent to each household in the school district that
34 contains a qualified elector. The informational pamphlet shall contain,
35 at a minimum, the following information:
- 36 (a) The date of the election.
- 37 (b) The voter's polling place and the times it is open.
- 38 (c) A statement as to why the election was called.
- 39 (d) Arguments for and against the proposed change, if submitted, as
40 provided in section 15-481, subsection B, paragraph 9. The ballot
41 arguments for the proposed change shall be signed as the governing board
42 of the school district without listing any member's individual name for
43 the arguments for the proposed change.

1 3. The ballot shall contain the words "extend time to issue bonds,
2 yes" and "extend time to issue bonds, no", and the voter shall signify the
3 voter's desired choice.

4 Sec. 3. Section 15-1105, Arizona Revised Statutes, is amended to
5 read:

6 15-1105. Lease of school property; immunity; fee schedule;
7 use of monies; prohibition; definitions

8 A. The SCHOOL DISTRICT governing board, or the superintendent or
9 chief administrative officer with the approval of the governing board, may
10 lease school property, including school buildings, grounds, buses and
11 equipment, FOR A TERM OF NOT MORE THAN TEN YEARS WITHOUT VOTER APPROVAL OR
12 LESS THAN TWENTY YEARS WITH VOTER APPROVAL to any person, group or
13 organization for any lawful purpose, including ANY recreational,
14 educational, political, economic, artistic, moral, scientific, social,
15 religious or other civic or governmental purpose in the interest of the
16 community, including extended day resource programs. The governing board,
17 superintendent or chief administrative officer shall charge a reasonable
18 use fee for the lease of the school property, which may include goods
19 contributed or services rendered by the person, group or organization to
20 the school district.

21 B. The governing board, or the superintendent or chief
22 administrative officer with the approval of the governing board, may
23 ~~permit~~ ALLOW the uncompensated use of school buildings, grounds, buses,
24 equipment and other school property by any ~~school-related~~ SCHOOL-RELATED
25 group, including student political organizations, or by any organization
26 whose membership is open to the public and whose activities promote the
27 educational function of the school district as determined in good faith by
28 the school district's governing board, or the superintendent or chief
29 administrative officer with the approval of the governing board, including
30 extended day resource programs, except as provided in section 15-511.

31 C. A school district and its employees, including the governing
32 board, superintendent or chief administrative officer, are immune from
33 civil liability with respect to all decisions made and actions taken to
34 allow the lease or use of school property, unless the school district or
35 its employees are guilty of gross negligence or intentional misconduct.
36 This subsection does not limit any other immunity provisions that are
37 prescribed by law.

38 D. A person, group or organization that is otherwise eligible to
39 lease school property shall not be denied use of or charged differentiated
40 fees for school property on the basis of the person's, group's or
41 organization's beliefs, expression of beliefs or exercise of the rights of
42 association that are protected under the laws of this state, the
43 Constitution of Arizona, the laws of the United States ~~or~~ AND the United
44 States Constitution.

1 E. The governing board shall annually approve a fee schedule for
2 the lease of school property. The fee schedule shall include a
3 designation of the persons, groups or organizations that ~~shall~~ have
4 uncompensated use of the school property, and a procedure for determining
5 the value of goods and services being provided as compensation for the use
6 of school property. The governing board, superintendent or chief
7 administrative officer shall require proof of liability insurance for such
8 use or lease of school property.

9 F. Except as provided in section 15-1102, monies received for and
10 derived from the use or lease of school property under this section shall
11 be promptly deposited with the county treasurer, who shall credit the
12 deposits to the civic center school fund of the respective school
13 district. Monies placed to the credit of a civic center school fund may
14 be ~~expended~~ SPENT for civic center school purposes by warrants drawn ~~upon~~
15 ON AN order of the school district governing board, or the superintendent
16 or chief administrative officer with the approval of the governing board.
17 The civic center school fund of a school district or multiple school
18 district civic center school program is a continuing fund not subject to
19 reversion, except ~~upon~~ ON termination of a civic center school program.
20 ~~Upon~~ ON termination of a civic center school program, any remaining ~~funds~~
21 ~~shall~~ MONIES revert to the school plant fund of the school district or
22 districts.

23 G. NOTWITHSTANDING SECTIONS 15-342, 15-491, 15-789 AND 41-5704 AND
24 SUBSECTION A OF THIS SECTION, A SCHOOL DISTRICT GOVERNING BOARD MAY NOT
25 LEASE, OR APPROVE THE LEASE, OF SCHOOL PROPERTY TO ANY PERSON OR FOR ANY
26 PERSON IF THE SCHOOL DISTRICT LEASED THAT PROPERTY, IN WHOLE OR IN PART,
27 FROM ANOTHER PERSON.

28 ~~G.~~ H. For the purposes of this section:

29 1. "Educational function" means ~~uses~~ A USE that ~~are~~ IS directly
30 related to the educational mission of the school district as adopted by
31 the school district governing board and includes parent-teacher
32 organizations, youth organizations and school employee organizations.

33 2. "Extended day resource programs" means activities offered on
34 school property before or after school or at times when school is not
35 customarily in session for children who are of the age required for
36 kindergarten programs and grades one through eight. The program may be
37 offered for children who are of the age required for a kindergarten
38 program or for one grade or for any combination of kindergarten programs
39 and grades. Activities may include physical conditioning, tutoring,
40 supervised homework or arts activities.

41 3. "Reasonable use fee" means an amount that is at least equal to
42 the school district's cost for utilities, services, supplies or personnel
43 that the school provides to the lessee pursuant to the terms of the lease.

1 Sec. 5. Existing leases: applicability
2 Sections 15-342, 15-491 and 15-1105, Arizona Revised Statutes, as
3 amended by this act, apply to any lease that is executed, renewed or
4 amended after the effective date of this act.