

REFERENCE TITLE: truth in taxation; bonds; notices

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

HB 2289

Introduced by
Representative Olson

AN ACT

AMENDING SECTIONS 15-481, 15-491, 15-905.01, 15-1461.01, 35-454, 41-1276,
42-17107 AND 48-254, ARIZONA REVISED STATUTES; RELATING TO TAXATION.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 15-481, Arizona Revised Statutes, is amended to
3 read:

4 15-481. Override election; budget increases; informational
5 pamphlet; notice; ballot; effect

6 A. If a proposed budget of a school district exceeds the aggregate
7 budget limit for the budget year, at least ninety days before the proposed
8 election the governing board shall order an override election to be held
9 on the first Tuesday following the first Monday in November as prescribed
10 by section 16-204, subsection F for the purpose of presenting the proposed
11 budget to the qualified electors of the school district who by a majority
12 of those voting either shall affirm or reject the budget. At the same
13 time as the order of the election, the governing board shall publicly
14 declare the deadline for submitting arguments, as set by the county school
15 superintendent pursuant to subsection B, paragraph 9 of this section, to
16 be submitted in the informational pamphlet and shall immediately post the
17 deadline in a prominent location on the district's website. In addition,
18 the governing board shall prepare an alternate budget that does not
19 include an increase in the budget of more than the amount allowed as
20 provided in section 15-905. If the qualified electors approve the
21 proposed budget, the governing board of the school district shall follow
22 the procedures prescribed in section 15-905 for adopting a budget that
23 includes the authorized increase. If the qualified electors disapprove
24 the proposed budget, the governing board shall follow the procedures
25 prescribed in section 15-905 for adopting a budget that does not include
26 the proposed increase or the portion of the proposed increase that exceeds
27 the amount authorized by a previously approved budget increase as
28 prescribed in subsection P of this section.

29 B. The county school superintendent shall prepare an informational
30 pamphlet on the proposed increase in the budget and a sample ballot and,
31 at least forty days before the election, shall transmit the informational
32 pamphlet and the sample ballot to the governing board of the school
33 district. The governing board, on receipt of the informational pamphlet
34 and the ballot, shall mail or distribute the informational pamphlet and
35 the ballot to the households in which qualified electors reside within the
36 school district at least thirty-five days before the election. Any
37 distribution of material concerning the proposed increase in the budget
38 shall not be conducted by children enrolled in the school district. The
39 informational pamphlet shall contain the following information:

- 40 1. The date of the election.
- 41 2. The voter's polling place and the times it is open.
- 42 3. The proposed total increase in the budget that exceeds the
43 amount allowed pursuant to section 15-905.
- 44 4. The total amount of the current year's budget, the total amount
45 of the proposed budget and the total amount of the alternate budget.

1 5. If the override is for a period of more than one year, a
2 statement indicating the number of years the proposed increase in the
3 budget would be in effect and the percentage of the school district's
4 revenue control limit that the district is requesting for the future
5 years.

6 6. The proposed total amount of revenues that will fund the
7 increase in the budget and the amount that will be obtained from a levy of
8 taxes on the taxable property within the school district for the first
9 year for which the budget increase was adopted.

10 7. The proposed amount of revenues that will fund the increase in
11 the budget and that will be obtained from other than a levy of taxes on
12 the taxable property within the school district for the first year for
13 which the budget increase was adopted.

14 8. The dollar amount and the purpose for which the proposed
15 increase in the budget is to be expended for the first year for which the
16 budget increase was adopted. The purpose statement shall only present
17 factual information in a neutral manner. Advocacy for the expenditures is
18 strictly limited to the arguments submitted pursuant to paragraph 9 of
19 this subsection.

20 9. At least two arguments, if submitted, but not more than ten
21 arguments for and two arguments, if submitted, but not more than ten
22 arguments against the proposed increase in the budget. The arguments
23 shall be in a form prescribed by the county school superintendent, and
24 each argument shall not exceed two hundred words. Arguments for the
25 proposed increase in the budget shall be provided in writing and signed by
26 the governing board. The ballot arguments for the proposed increase in
27 the budget shall be signed as the governing board of the school district
28 without listing any member's individual name for the arguments for the
29 proposed increase. If submitted, additional arguments in favor of the
30 proposed increase in the budget shall be provided in writing with a
31 signed, sworn statement by those in favor. Arguments against the proposed
32 increase in the budget shall be provided in writing with a signed, sworn
33 statement by those in opposition. If the argument is submitted by an
34 organization, it shall contain the sworn statement of two executive
35 officers of the organization. If the argument is submitted by a political
36 committee, it shall contain the sworn statement of the committee's
37 chairperson or treasurer. If the argument is submitted by an individual
38 and not on behalf of an organization, a political committee or any other
39 group, the ~~person~~ INDIVIDUAL shall submit the argument with a sworn,
40 notarized statement. The names of persons and entities submitting written
41 arguments shall be included in the informational pamphlet. Persons
42 signing the argument shall identify themselves by giving their residence
43 address and telephone number, which may not appear in the informational
44 pamphlet, except that the person's city or town and state of residence
45 shall appear in the pamphlet. Any argument that is submitted and that

1 does not comply with this paragraph may not be included in the pamphlet.
2 The county school superintendent shall review all factual statements
3 contained in the written arguments and correct any inaccurate statements
4 of fact. The superintendent shall not review and correct any portion of
5 the written arguments that are identified as statements of the author's
6 opinion. The county school superintendent shall make the written
7 arguments available to the public as provided in title 39, chapter 1,
8 article 2. A deadline for submitting arguments to be included in the
9 informational pamphlet shall be set by the county school superintendent.

10 10. A statement that the alternate budget shall be adopted by the
11 governing board if the proposed budget is not adopted by the qualified
12 electors of the school district.

13 11. The current limited property value and the net assessed
14 valuation provided by the department of revenue, the first year tax rate
15 for the proposed override and the estimated amount of the secondary
16 property taxes if the proposed budget is adopted for each of the
17 following:

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

22 (b) An owner-occupied residence whose assessed valuation is
23 one-half of the assessed valuation of the residence in subdivision (a) of
24 this paragraph.

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

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

32 12. If the election is conducted pursuant to subsection L or M of
33 this section, the following information:

34 (a) An executive summary of the school district's most recent
35 capital improvement plan submitted to the school facilities oversight
36 board.

37 (b) A complete list of each proposed capital improvement that will
38 be funded with the budget increase and a description of the proposed cost
39 of each improvement, including a separate aggregation of capital
40 improvements for administrative purposes as defined by the school
41 facilities oversight board.

42 (c) The tax rate associated with each of the proposed capital
43 improvements and the estimated cost of each capital improvement for the
44 owner of a single family home that is valued at ~~\$80,000~~ \$100,000
45 AND \$400,000.

1 C. For the purpose of this section, the school district may use its
2 staff, equipment, materials, buildings or other resources only to
3 distribute the informational pamphlet at the school district office or at
4 public hearings and to produce such information as required in subsection
5 B of this section. This subsection does not preclude school districts
6 from holding or participating in any public hearings at which testimony is
7 given by at least one person for the proposed increase and one person
8 against the proposed increase. Any written information provided by the
9 district pertaining to the override election shall include financial
10 information showing the estimated first year tax rate for the proposed
11 budget override amount.

12 D. If any amount of the proposed increase will be funded by a levy
13 of taxes in the district, the election prescribed in subsection A of this
14 section shall be held on the first Tuesday following the first Monday in
15 November as prescribed by section 16-204, subsection F. If the proposed
16 increase will be fully funded by revenues from other than a levy of taxes,
17 the elections prescribed in subsection A of this section shall be held on
18 any date prescribed by section 16-204. The elections shall be conducted
19 as nearly as practicable in the manner prescribed in article 1 of this
20 chapter, sections 15-422, through 15-423, 15-424 and ~~section~~ 15-426,
21 relating to special elections, except that:

22 1. The notices required pursuant to section 15-403 shall be posted
23 not less than twenty-five days before the election.

24 2. Ballots shall be counted pursuant to title 16, chapter 4,
25 article 10.

26 E. If the election is to exceed the revenue control limit and if
27 the proposed increase will be fully funded by a levy of taxes on the
28 taxable property within the school district, the ballot shall contain the
29 words "budget increase, yes" and "budget increase, no", and the voter
30 shall signify the voter's desired choice. The ballot shall also contain
31 the amount of the proposed increase of the proposed budget over the
32 alternate budget, a statement that the amount of the proposed increase
33 will be based on a percentage of the school district's revenue control
34 limit in future years, if applicable, as provided in subsection P of this
35 section and the following statement:

36 Any budget increase authorized by this election shall be
37 entirely funded by a levy of taxes on the taxable property
38 within this school district for the year for which adopted and
39 for ____ subsequent years, shall not be realized from monies
40 furnished by the state and shall not be subject to the
41 limitation on taxes specified in article IX, section 18,
42 Constitution of Arizona. Based on the current net assessed
43 valuation used for secondary property tax purposes, to fund
44 the proposed increase in the school district's budget would
45 require an estimated tax rate of \$_____ per \$100 of

1 net assessed valuation used for secondary property tax
2 purposes and is in addition to the school district's tax rate
3 that will be levied to fund the school district's revenue
4 control limit allowed by law.

5 F. If the election is to exceed the revenue control limit and if
6 the proposed increase will be fully funded by revenues from other than a
7 levy of taxes on the taxable property within the school district, the
8 ballot shall contain the words "budget increase, yes" and "budget
9 increase, no", and the voter shall signify the voter's desired choice.
10 The ballot shall also contain:

11 1. The amount of the proposed increase of the proposed budget over
12 the alternate budget.

13 2. A statement that the amount of the proposed increase will be
14 based on a percentage of the school district's revenue control limit in
15 future years, if applicable, as provided in subsection P of this section.

16 3. The following statement:

17 Any budget increase authorized by this election shall be
18 entirely funded by this school district with revenues from
19 other than a levy of taxes on the taxable property within the
20 school district for the year for which adopted and for _____
21 subsequent years and shall not be realized from monies
22 furnished by the state.

23 G. Except as provided in subsection H of this section, the maximum
24 budget increase that may be requested and authorized as provided in
25 subsection E or F of this section or the combination of subsections E and
26 F of this section is fifteen percent of the revenue control limit as
27 provided in section 15-947, subsection A for the budget year. If a school
28 district requests an override pursuant to section 15-482 or to continue
29 with a budget override pursuant to section 15-482 for pupils in
30 kindergarten programs and grades one through three that was authorized
31 before December 31, 2008, the maximum budget increase that may be
32 requested and authorized as provided in subsection E or F of this section
33 or the combination of subsections E and F of this section is ten percent
34 of the revenue control limit as provided in section 15-947, subsection A
35 for the budget year.

36 H. Special budget override provisions for school districts with a
37 student count of less than one hundred fifty-four in kindergarten programs
38 and grades one through eight or with a student count of less than one
39 hundred seventy-six in grades nine through twelve are as follows:

40 1. The maximum budget increase that may be requested and authorized
41 as provided in subsections E and F of this section is the greater of the
42 amount prescribed in subsection G of this section or a limit computed as
43 follows:

| | | | | |
|---|-------------|-------------------------|------|------------------------|
| 1 | | | | Small |
| 2 | Phase Down | Phase Down | | School District |
| 3 | <u>Base</u> | <u>Reduction Factor</u> | | <u>Secondary Limit</u> |
| 4 | \$350,000 | - \$ | = \$ | |

5 (c) If both subdivisions (a) and (b) of this paragraph apply to a
 6 unified school district, its limit for the purposes of this paragraph is
 7 the combination of its elementary limit and its secondary limit.

8 (d) If only subdivision (a) or (b) of this paragraph applies to a
 9 unified school district, the district's limit for the purposes of this
 10 paragraph is the sum of the limit computed as provided in subdivision (a)
 11 or (b) of this paragraph plus ten percent of the revenue control limit
 12 attributable to those grade levels that do not meet the eligibility
 13 requirements of this subsection. If a school district budgets monies
 14 outside the revenue control limit pursuant to section 15-949, subsection
 15 E, the district's limit for the purposes of this paragraph is only the ten
 16 percent of the revenue control limit attributable to those grade levels
 17 that are not included under section 15-949, subsection E. For the
 18 purposes of this subdivision, the revenue control limit is separated into
 19 elementary and secondary components based on the weighted student count as
 20 provided in section 15-971, subsection B, paragraph 2, subdivision (a).

21 2. If a school district utilizes this subsection to request an
 22 override of more than one year, the ballot shall include an estimate of
 23 the amount of the proposed increase in the future years in place of the
 24 statement that the amount of the proposed increase will be based on a
 25 percentage of the school district's revenue control limit in future years,
 26 as prescribed in subsections E and F of this section.

27 3. Notwithstanding subsection P of this section, the maximum period
 28 of an override authorized pursuant to this subsection is five years.

29 4. Subsection P, paragraphs 1 and 2 of this section do not apply to
 30 overrides authorized pursuant to this subsection.

31 I. If the election is to exceed the revenue control limit as
 32 provided in section 15-482 and if the proposed increase will be fully
 33 funded by a levy of taxes on the taxable property within the school
 34 district, the ballot shall contain the words "budget increase, yes" and
 35 "budget increase, no", and the voter shall signify the voter's desired
 36 choice. The ballot shall also contain the amount of the proposed increase
 37 of the budget over the alternate budget, a statement that the amount of
 38 the proposed increase will be based on a percentage of the school
 39 district's revenue control limit in future years, if applicable, as
 40 provided in subsection Q of this section, and the following statement:

41 Any budget increase authorized by this election shall be
 42 entirely funded by a levy of taxes on the taxable property
 43 within this school district for the year for which adopted and
 44 for _____ subsequent years, shall not be realized from monies
 45 furnished by the state and shall not be subject to the

1 limitation on taxes specified in article IX, section 18,
 2 Constitution of Arizona. Based on the current net assessed
 3 valuation used for secondary property tax purposes, to fund
 4 the proposed increase in the school district's budget that
 5 will be funded by a levy of taxes on the taxable property
 6 within this school district would require an estimated tax
 7 rate of \$_____ per \$100 of net assessed valuation used
 8 for secondary property tax purposes and is in addition to the
 9 school district's tax rate that will be levied to fund the
 10 school district's revenue control limit allowed by law.

11 J. If the election is to exceed the revenue control limit as
 12 provided in section 15-482 and if the proposed increase will be fully
 13 funded by revenues other than a levy of taxes on the taxable property
 14 within the school district, the ballot shall contain the words "budget
 15 increase, yes" and "budget increase, no", and the voter shall signify the
 16 voter's desired choice. The ballot shall also contain the amount of the
 17 proposed increase of the proposed budget over the alternate budget, a
 18 statement that the amount of the proposed increase will be based on a
 19 percentage of the school district's revenue control limit in future years,
 20 if applicable, as provided in subsection Q of this section and the
 21 following statement:

22 Any budget increase authorized by this election shall be
 23 entirely funded by this school district with revenues from
 24 other than a levy of taxes on the taxable property within the
 25 school district for the year for which adopted and for _____
 26 subsequent years and shall not be realized from monies
 27 furnished by the state.

28 K. The maximum budget increase that may be requested and authorized
 29 as provided in subsection I or J of this section, or a combination of both
 30 of these subsections, is five percent of the revenue control limit as
 31 provided in section 15-947, subsection A for the budget year. For a
 32 common school district not within a high school district or a common
 33 school district within a high school district that offers instruction in
 34 high school subjects as provided in section 15-447, five percent of the
 35 revenue control limit means five percent of the revenue control limit
 36 attributable to the weighted student count in preschool programs for
 37 children with disabilities, kindergarten programs and grades one through
 38 eight as provided in section 15-971, subsection B. For a unified school
 39 district, five percent of the revenue control limit means five percent of
 40 the revenue control limit attributable to the weighted student count in
 41 preschool programs for children with disabilities, kindergarten programs
 42 and grades one through twelve. For a union high school district, five
 43 percent of the revenue control limit means five percent of the revenue
 44 control limit attributable to the weighted student count in grades nine
 45 through twelve.

1 L. If the election is to exceed district additional assistance and
2 if the proposed increase will be fully funded by a levy of taxes on the
3 taxable property within the school district, the ballot shall contain the
4 words "budget increase, yes" and "budget increase, no", and the voter
5 shall signify the voter's desired choice. An election held pursuant to
6 this subsection shall be held on the first Tuesday after the first Monday
7 of November. The ballot shall also contain the amount of the proposed
8 increase of the proposed budget over the alternate budget and the
9 following statement:

10 Any budget increase authorized by this election shall be
11 entirely funded by a levy of taxes on the taxable property
12 within this school district for the year in which adopted and
13 for _____ subsequent years, shall not be realized from monies
14 furnished by the state and shall not be subject to the
15 limitation on taxes specified in article IX, section 18,
16 Constitution of Arizona. Based on the current net assessed
17 valuation used for secondary property tax purposes, to fund
18 the proposed increase in the school district's budget would
19 require an estimated tax rate of \$_____ per \$100 of net
20 assessed valuation used for secondary property tax purposes
21 and is in addition to the school district's tax rate that will
22 be levied to fund the school district's district additional
23 assistance allowed by law.

24 M. If the election is to exceed district additional assistance and
25 if the proposed increase will be fully funded by revenues from other than
26 a levy of taxes on the taxable property within the school district, the
27 ballot shall contain the words "budget increase, yes" and "budget
28 increase, no", and the voter shall signify the voter's desired choice. An
29 election held pursuant to this subsection shall be held on the first
30 Tuesday after the first Monday of November. The ballot shall also contain
31 the amount of the proposed increase of the proposed budget over the
32 alternate budget and the following statement:

33 Any budget increase authorized by this election shall be
34 entirely funded by this school district with revenues from
35 other than a levy of taxes on the taxable property within the
36 school district for the year in which adopted and for _____
37 subsequent years and shall not be realized from monies
38 furnished by the state.

39 N. If the election is to exceed a combination of the revenue
40 control limit as provided in subsection E or F of this section, the
41 revenue control limit as provided in subsection I or J of this section or
42 district additional assistance as provided in subsection L or M of this
43 section, the ballot shall be prepared so that the voters may vote on each
44 proposed increase separately and shall contain statements required in the
45 same manner as if each proposed increase were submitted separately.

1 0. If the election provides for a levy of taxes on the taxable
 2 property within the school district, at least thirty days before the
 3 election, the department of revenue shall provide the school district
 4 governing board and the county school superintendent with the current net
 5 assessed valuation of the school district. The governing board and the
 6 county school superintendent shall use the current net assessed valuation
 7 of the school district to translate the amount of the proposed dollar
 8 increase in the budget of the school district over that allowed by law
 9 into a tax rate figure.

10 P. If the voters in a school district vote to adopt a budget in
 11 excess of the revenue control limit as provided in subsection E or F of
 12 this section, any additional increase shall be included in the aggregate
 13 budget limit for each of the years authorized. Any additional increase
 14 shall be excluded from the determination of equalization assistance. The
 15 school district governing board, however, may levy on the net assessed
 16 valuation used for secondary property tax purposes of the property in the
 17 school district the additional increase if adopted under subsection E of
 18 this section for the period of one year, two years or five through seven
 19 years as authorized. If an additional increase is approved as provided in
 20 subsection F of this section, the school district governing board may only
 21 use revenues derived from the school district's prior year's maintenance
 22 and operation fund ending cash balance to fund the additional increase.
 23 If a budget increase was previously authorized and will be in effect for
 24 the budget year or budget year and subsequent years, as provided in
 25 subsection E or F of this section, the governing board may request a new
 26 budget increase as provided in the same subsection under which the prior
 27 budget increase was adopted, which shall not exceed the maximum amount
 28 allowed under subsection G of this section. If the voters in the school
 29 district authorize the new budget increase amount, the existing budget
 30 increase no longer is in effect. If the voters in the school district do
 31 not authorize the budget increase amount, the existing budget increase
 32 remains in effect for the time period for which it was authorized. The
 33 maximum additional increase authorized as provided in subsection E or F of
 34 this section and the additional increase that is included in the aggregate
 35 budget limit is based on a percentage of a school district's revenue
 36 control limit in future years, if the budget increase is authorized for
 37 more than one year. If the additional increase:

38 1. Is for two years, the proposed increase in the second year is
 39 equal to the initial proposed percentage increase.

40 2. Is for five years or more, the proposed increase is equal to the
 41 initial proposed percentage increase in the following years of the
 42 proposed increase, except that in the next to last year it is two-thirds
 43 of the initial proposed percentage increase and it is one-third of the
 44 initial proposed percentage increase in the last year of the proposed
 45 increase.

1 Q. If the voters in a school district vote to adopt a budget in
 2 excess of the revenue control limit as provided in subsection I or J of
 3 this section, any additional increase shall be included in the aggregate
 4 budget limit for each of the years authorized. Any additional increase
 5 shall be excluded from the determination of equalization assistance. The
 6 school district governing board, however, may levy on the net assessed
 7 valuation used for secondary property tax purposes of the property in the
 8 school district the additional increase if adopted under subsection I of
 9 this section for the period of one year, two years or five through seven
 10 years as authorized. If an additional increase is approved as provided in
 11 subsection J of this section, the increase may only be budgeted and
 12 expended if sufficient monies are available in the maintenance and
 13 operation fund of the school district. If a budget increase was
 14 previously authorized and will be in effect for the budget year or budget
 15 year and subsequent years, as provided in subsection I or J of this
 16 section, the governing board may request a new budget increase as provided
 17 in the same subsection under which the prior budget increase was adopted
 18 that does not exceed the maximum amount permitted under subsection K of
 19 this section. If the voters in the school district authorize the new
 20 budget increase amount, the existing budget increase no longer is in
 21 effect. If the voters in the school district do not authorize the budget
 22 increase amount, the existing budget increase remains in effect for the
 23 time period for which it was authorized. The maximum additional increase
 24 authorized as provided in subsection I or J of this section and the
 25 additional increase that is included in the aggregate budget limit is
 26 based on a percentage of a school district's revenue control limit in
 27 future years, if the budget increase is authorized for more than one year.
 28 If the additional increase:

- 29 1. Is for two years, the proposed increase in the second year is
 30 equal to the initial proposed percentage increase.
- 31 2. Is for five years or more, the proposed increase is equal to the
 32 initial proposed percentage increase in the following years of the
 33 proposed increase, except that in the next to last year it is two-thirds
 34 of the initial proposed percentage increase and it is one-third of the
 35 initial proposed percentage increase in the last year of the proposed
 36 increase.

37 R. If the voters in a school district vote to adopt a budget in
 38 excess of district additional assistance as provided in subsection L of
 39 this section, any additional increase shall be included in the aggregate
 40 budget limit for each of the years authorized. The additional increase
 41 shall be excluded from the determination of equalization assistance. The
 42 school district governing board, however, may levy on the net assessed
 43 valuation used for secondary property tax purposes of the property in the
 44 school district the additional increase for the period authorized but not
 45 to exceed ten years. For overrides approved by a vote of the qualified

1 electors of the school district at an election held from and after
2 October 31, 1998, the period of the additional increase prescribed in this
3 subsection shall not exceed seven years for any capital override election.

4 S. If the voters in a school district vote to adopt a budget in
5 excess of district additional assistance as provided in subsection M of
6 this section, any additional increase shall be included in the aggregate
7 budget limit for each of the years authorized. The additional increase
8 shall be excluded from the determination of equalization assistance. The
9 school district governing board may only use revenues derived from the
10 school district's prior year's maintenance and operation fund ending cash
11 balance and capital outlay fund ending cash balance to fund the additional
12 increase for the period authorized but not to exceed ten years. For
13 overrides approved by a vote of the qualified electors of the school
14 district at an election held from and after October 31, 1998, the period
15 of the additional increase prescribed in this subsection shall not exceed
16 seven years for any capital override election.

17 T. In addition to subsections P and S of this section, from the
18 maintenance and operation fund and capital outlay fund ending cash
19 balances, the school district governing board shall first use any
20 available revenues to reduce its primary tax rate to zero and shall use
21 any remaining revenues to fund the additional increase authorized as
22 provided in subsections F and M of this section.

23 U. If the voters in a school district disapprove the proposed
24 budget, the alternate budget that, except for any budget increase
25 authorized by a prior election, does not include an increase in the budget
26 in excess of the amount provided in section 15-905 shall be adopted by the
27 governing board as provided in section 15-905.

28 V. The governing board may request that any override election be
29 cancelled if any change in chapter 9 of this title changes the amount of
30 the aggregate budget limit as provided in section 15-905. The request to
31 cancel the override election shall be made to the county school
32 superintendent at least eighty days before the date of the scheduled
33 override election.

34 W. For any election conducted pursuant to subsection L or M of this
35 section:

36 1. The ballot shall include the following statement in addition to
37 any other statement required by this section:

38 The capital improvements that are proposed to be funded
39 through this override election are to exceed the state
40 standards and are in addition to monies provided by the state.

41 _____ school district is proposing to increase its
42 budget by \$_____ to fund capital improvements over and
43 above those funded by the state. Under the students first
44 capital funding system, _____ school district is entitled

1 to state monies for new construction and renovation of school
2 buildings in accordance with state law.

3 2. The ballot shall contain the words "budget increase, yes" and
4 "budget increase, no", and the voter shall signify the voter's desired
5 choice.

6 3. At least eighty-five days before the election, the school
7 district shall submit proposed ballot language to the director of the
8 Arizona legislative council. The director of the Arizona legislative
9 council shall review the proposed ballot language to determine whether the
10 proposed ballot language complies with this section. If the director of
11 the Arizona legislative council determines that the proposed ballot
12 language does not comply with this section, the director, within ten
13 calendar days after receiving the proposed ballot language, shall notify
14 the school district of the director's objections, and the school district
15 shall resubmit revised ballot language to the director for approval.

16 X. If the voters approve the budget increase pursuant to subsection
17 L or M of this section, the school district shall not use the override
18 proceeds for any purposes other than the proposed capital improvements
19 listed in the informational pamphlet, except that up to ten percent of the
20 override proceeds may be used for general capital expenses, including cost
21 overruns of proposed capital improvements.

22 Y. Each school district that currently increases its budget
23 pursuant to this section shall hold a public meeting each year between
24 September 1 and October 31 at which an update of the programs or capital
25 improvements financed through the override is discussed and at which the
26 public is allowed an opportunity to comment and:

27 1. If the increase is pursuant to subsection L or M of this
28 section, at a minimum, the update shall include the progress of capital
29 improvements financed through the override, a comparison of the current
30 status and the original projections on the construction of capital
31 improvements, the costs of capital improvements and the costs of capital
32 improvements in progress or completed since the prior meeting and the
33 future capital plans of the school district. The school district shall
34 include in the public meeting a discussion of the school district's use of
35 state capital aid and voter-approved bonding in funding capital
36 improvements, if any.

37 2. If the increase is pursuant to subsection E, F, I or J of this
38 section, the update shall include at a minimum the amount expended in the
39 previous fiscal year and the amount included in the current budget for
40 each of the purposes listed in the informational pamphlet prescribed by
41 subsection B of this section.

42 Z. If a budget in excess of district additional assistance was
43 previously adopted by the voters in a school district and will be in
44 effect for the budget year or budget year and subsequent years, as
45 provided in subsection L or M of this section, the governing board may

1 request an additional budget in excess of district additional assistance.
2 If the voters in a school district authorize the additional budget in
3 excess of district additional assistance, the existing district additional
4 assistance budget increase remains in effect.

5 AA. Notwithstanding any other law, the maximum budget increase that
6 may be authorized pursuant to subsection L or M of this section is ten
7 percent of the school district's revenue control limit.

8 BB. If the election is to continue to exceed the revenue control
9 limit and if the proposed override will be fully funded by a continuation
10 of a levy of taxes on the taxable property in the school district, the
11 ballot shall contain the words "budget override continuation, yes" and
12 "budget override continuation, no", and the voter shall signify the
13 voter's desired choice. The ballot shall also contain the amount of the
14 proposed continuation of the budget increase of the proposed budget over
15 the alternate budget, a statement that the amount of the proposed increase
16 will be based on a percentage of the school district's revenue control
17 limit in future years, if applicable, as provided in subsection P of this
18 section and the following statement:

19 Any budget increase continuation authorized by this
20 election shall be entirely funded by a levy of taxes on the
21 taxable property in this school district for the year for
22 which adopted and for _____ subsequent years, shall not be
23 realized from monies furnished by the state and shall not be
24 subject to the limitation on taxes specified in article IX,
25 section 18, Constitution of Arizona. Based on the current net
26 assessed valuation used for secondary property tax purposes,
27 to fund the proposed continuation of the increase in the
28 school district's budget would require an estimated
29 continuation of a tax rate of \$_____ per \$100 of
30 assessed valuation used for secondary property tax purposes
31 and is in addition to the school district's tax rate that will
32 be levied to fund the school district's revenue control limit
33 allowed by law.

34 CC. If the election is to continue to exceed the revenue control
35 limit as provided in section 15-482 and if the proposed override will be
36 fully funded by a continuation of a levy of taxes on the taxable property
37 in the school district, the ballot shall contain the words "budget
38 override continuation, yes" and "budget override continuation, no", and
39 the voter shall signify the voter's desired choice. The ballot shall also
40 contain the amount of the proposed continuation of the budget increase of
41 the proposed budget over the alternate budget, a statement that the amount
42 of the proposed increase will be based on a percentage of the school
43 district's revenue control limit in future years, if applicable, as
44 provided in subsection P of this section and the following statement:

1 Any budget increase continuation authorized by this
 2 election shall be entirely funded by a levy of taxes on the
 3 taxable property in this school district for the year for which
 4 adopted and for _____ subsequent years, shall not be realized
 5 from monies furnished by the state and shall not be subject to
 6 the limitation on taxes specified in article IX, section 18,
 7 Constitution of Arizona. Based on the current net assessed
 8 valuation used for secondary property tax purposes, to fund the
 9 proposed continuation of the increase in the school district's
 10 budget would require an estimated continuation of a tax rate of
 11 \$_____ per \$100 of net assessed valuation used for
 12 secondary property tax purposes and is in addition to the
 13 school district's tax rate that will be levied to fund the
 14 school district's revenue control limit allowed by law.

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

17 15-491. Elections on school property; exceptions

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

- 22 1. To locate or change the location of school buildings.
- 23 2. To purchase or sell school sites or buildings or sell school
 24 sites pursuant to section 15-342 or to build school buildings, but the
 25 authorization by vote of the school district shall not necessarily specify
 26 the site to be purchased.
- 27 3. To decide whether the bonds of the school district shall be
 28 issued and sold for the purpose of raising monies for purchasing or
 29 leasing school lots, for building or renovating school buildings, for
 30 supplying school buildings with furniture, equipment and technology, for
 31 improving school grounds, for purchasing pupil transportation vehicles or
 32 for liquidating any indebtedness already incurred for such purposes.
 33 Bonds issued for furniture, equipment and technology, other than fixtures,
 34 shall mature not later than the July 1 that follows the fifth year after
 35 the bonds were issued. A school district shall not issue class B bonds
 36 until the school district has obligated in contract the entire proceeds of
 37 any class A bonds issued by the school district. The total amount of
 38 class A and class B bonds issued by a school district shall not exceed the
 39 debt limitations prescribed in article IX, sections 8 and 8.1,
 40 Constitution of Arizona.
- 41 4. To lease for twenty or more years, as lessor or as lessee,
 42 school buildings or grounds. Approval by a majority of the school
 43 district electors voting authorizes the governing board to negotiate for
 44 and enter into a lease. The ballot shall list the school buildings or
 45 grounds for which a lease is sought. If the governing board does not

1 enter into a lease of twenty or more years of the school buildings or
2 grounds listed on the ballot within twenty years after the date of the
3 election and the board continues to seek such a lease, the governing board
4 shall call a special election to reauthorize the board to negotiate for
5 and to enter into a lease of twenty or more years.

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

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

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

17 C. When the election is called to determine whether or not bonds of
18 the school district shall be issued and sold for the purposes enumerated
19 in the call for the election, the question shall be submitted to the vote
20 of the qualified electors of the school district as defined in section
21 15-401 and subject to section 15-402.

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

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

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

44 G. Bond counsel fees, financial advisory fees, printing costs and
45 paying agent and registrar fees for bonds issued pursuant to an election

1 under this section shall be paid from either the amount authorized by the
2 qualified electors of the school district or current operating funds.
3 Bond election expenses shall be paid from current operating funds only.

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

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

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

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

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

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

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

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

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

44 (a) An executive summary of the school district's most recent
45 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 AND \$400,000.

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 (b) The notice shall be published in a location other than the
2 classified or legal advertising section of the newspaper in which it is
3 published.

4 (c) The notice shall be at least one-fourth page in size and shall
5 be surrounded by a solid black border at least one-eighth inch in width.

6 (d) The notice shall be in the following form, excluding the
7 parenthetical explanations, and with the "truth in taxation
8 hearing - notice of tax increase" headline in at least eighteen-point
9 type:

10 Truth in Taxation Hearing
11 Notice of Tax Increase

12 In compliance with section 15-905.01, Arizona Revised
13 Statutes, _____ school district is notifying its property
14 taxpayers of _____ school district's intention to raise
15 its primary property taxes over the current level to pay for
16 increased expenditures in those areas where the governing
17 board has the authority to increase property taxes for the
18 fiscal year beginning July 1, _____. The _____ school
19 district is proposing an increase in its primary property tax
20 levy of \$_____ (amount of levy increase to pay for truth
21 in taxation base increase, the amount of the total levy for
22 the adjacent ways fund and amounts for liabilities in excess
23 of the school district budget pursuant to section 15-907).

24 The amount proposed above will cause _____ school
25 district's primary property taxes on a \$100,000 AND \$400,000
26 home to be \$_____ AND \$_____, RESPECTIVELY (the amount
27 used to pay for the budget year's proposed truth in taxation
28 base limit and adjacent ways levy, including adjacent ways and
29 liabilities in excess of the school district budget [the
30 amount divided by the current net assessed value available
31 February 10 pursuant to section 42-17052] applied to \$100,000
32 AND \$400,000). Without the tax increase, the total taxes that
33 would be owed would have been \$_____ AND \$_____,
34 RESPECTIVELY (the amount used to pay for the current year's
35 truth in taxation base limit [the amount divided by the
36 current net assessed value available February 10 pursuant to
37 section 42-17052] applied to \$100,000 AND \$400,000).

38 These amounts proposed are above the qualifying tax
39 levies as prescribed by state law, if applicable. The
40 increase is also exclusive of any changes that may occur from
41 property tax levies for voter approved bonded indebtedness or
42 budget and tax overrides.

43 All interested citizens are invited to attend the public
44 hearing on the proposed tax increase scheduled to be held
45 (date and time) at (location).

1 attributable to new construction, is greater than the amount levied in the
2 preceding tax year by the district:

3 1. The district governing board shall publish a notice that meets
4 all of the following requirements:

5 (a) Is published twice in a newspaper of general circulation in the
6 district. The first publication shall be at least fourteen but not more
7 than twenty days before the date of the hearing. The second publication
8 shall be at least seven but not more than ten days before the date of the
9 hearing.

10 (b) Is published in a location other than the classified or legal
11 advertising section of the newspaper in which it is published.

12 (c) Is at least one-fourth page in size and is surrounded by a
13 solid black border at least one-eighth inch in width.

14 (d) Is in the following form, with the "truth in taxation
15 hearing-notice of tax increase" headline in at least eighteen-point type:

16 Truth in Taxation Hearing
17 Notice of Tax Increase

18 In compliance with section 15-1461.01, Arizona Revised
19 Statutes, (name of community college district) is notifying
20 its property taxpayers of (name of community college
21 district's) intention to raise its primary property taxes over
22 last year's level. The (name of community college district)
23 is proposing an increase in primary property taxes of
24 \$_____ or ____%.

25 For example, the proposed tax increase will cause (name
26 of community college district's) primary property taxes on a
27 \$100,000 **AND \$400,000** home to be \$(total proposed taxes
28 including the tax increase) AND \$(TOTAL PROPOSED TAXES
29 INCLUDING THE TAX INCREASE), RESPECTIVELY. Without the
30 proposed tax increase, the total taxes that would be owed on a
31 \$100,000 **AND \$400,000** home would have been \$_____ **AND \$_____**,
32 **RESPECTIVELY.**

33 This proposed increase is exclusive of increased primary
34 property taxes received from new construction. The increase
35 is also exclusive of any changes that may occur from property
36 tax levies for voter approved bonded indebtedness or budget
37 and tax overrides.

38 All interested citizens are invited to attend the public
39 hearing on the tax increase that is scheduled to be held
40 (date and time) at (location).

41 (e) Is included in the proposed budget and in the budget finally
42 adopted pursuant to section 15-1461.

43 2. In lieu of publishing the truth in taxation notice, the district
44 board may mail the truth in taxation notice prescribed by paragraph 1,
45 subdivision (d) of this subsection to all registered voters in the

1 district at least ten but not more than twenty days before the date of the
2 hearing.

3 3. In addition to publishing the truth in taxation notice under
4 paragraph 1 of this subsection or mailing the notice under paragraph 2 of
5 this subsection, the district governing board shall issue a press release
6 containing the truth in taxation notice to all newspapers of general
7 circulation in the district. The press release must:

8 (a) Include the name of the newspaper of general circulation in
9 which the truth in taxation notice will be published and the dates on
10 which the truth in taxation notice will be published.

11 (b) Be posted on the official website of the community college
12 district.

13 4. The district board shall consider a motion to levy the increased
14 property taxes by roll call vote. If the proposed levy, exclusive of
15 increased property taxes received from new construction, constitutes an
16 increase over the preceding tax year's levy by fifteen percent or more,
17 the motion to levy the increased property taxes must be approved by a
18 unanimous roll call vote of the district board.

19 5. Within three days after the hearing, the district board shall
20 mail a copy of the truth in taxation notice, a statement of its
21 publication or mailing and the result of the district board's vote under
22 paragraph 4 of this subsection to the property tax oversight commission
23 established by section 42-17002.

24 6. The district board shall hold the truth in taxation hearing on
25 or before the adoption of the county, city or town budget under section
26 42-17105.

27 B. If the governing board fails to comply with the requirements of
28 this section, the governing board shall not fix, levy or assess an amount
29 of primary property taxes that exceeds the preceding year's amount, except
30 for amounts attributable to new construction.

31 C. For the purposes of this section, "amount attributable to new
32 construction" means the net assessed valuation of property added to the
33 tax roll since the previous year multiplied by a property tax rate
34 computed by dividing the district's primary property tax levy in the
35 preceding year by the estimate of the district's total net assessed
36 valuation for the current year, excluding the net assessed valuation
37 attributable to new construction.

38 Sec. 5. Section 35-454, Arizona Revised Statutes, is amended to
39 read:

40 35-454. Informational pamphlet for bond election; review;
41 ballot; election; return; canvass of votes;
42 certificate of election

43 A. The governing body or board of the political subdivision shall:

44 1. At least thirty-five days before the bond election, mail a copy
45 of an informational pamphlet to every household within the political

1 subdivision that contains a registered voter. The pamphlet shall contain
2 information on the:

3 (a) Amount of the bond authorization.

4 (b) Maximum interest rate of the bonds.

5 (c) Estimated debt retirement schedule for the current amount of
6 bonds outstanding, showing both principal and interest payments, the
7 current net assessed valuation as reported by the department of revenue
8 and the current adopted and estimated tax rates. For the purposes of this
9 paragraph, "net assessed valuation" may include the values used to
10 determine voluntary contributions collected pursuant to title 9, chapter
11 4, article 3 and title 48, chapter 1, article 8.

12 (d) Estimated debt retirement schedule for the proposed bond
13 authorization, showing both the estimated principal and interest payments
14 and the estimated average annual tax rate for the proposed bond
15 authorization. In preparing this information and the information
16 prescribed by subdivision (c) of this paragraph, the projected total
17 annual increase in net assessed valuation for any future year shall not
18 exceed:

19 (i) For the first five years of the estimated debt retirement
20 schedule, the average of the annual percentage growth for the previous ten
21 years in the net assessed valuation of the political subdivision.

22 (ii) For the remaining years of the estimated debt retirement
23 schedule, twenty percent of the average of the annual percentage growth
24 for the previous ten years in the net assessed valuation of the political
25 subdivision.

26 (e) Source of repayment.

27 (f) Estimated issuance costs.

28 (g) Estimated tax impact of debt service for the bonds on an
29 owner-occupied residence classified as class three pursuant to section
30 42-12003, on commercial property classified as class one pursuant to
31 section 42-12001, paragraph 12 and on agricultural or other vacant
32 property classified as class two pursuant to section 42-12002, assuming
33 the net assessed valuation of the property increases annually at the
34 lesser of five percent or fifty percent of the projected total annual
35 increase in net assessed valuation as determined pursuant to subdivision
36 (d) of this paragraph over the term of the bonds using the same average
37 annual tax rate as under subdivision (d) of this paragraph, as follows:

38 The tax impact over the term of the bonds on an
39 owner-occupied residence valued by the county assessor at
40 \$250,000 AND \$400,000 is estimated to be \$___ per year for ___
41 years, or \$___ total cost AND \$___ PER YEAR FOR ___ YEARS, OR
42 \$___ TOTAL COST, RESPECTIVELY.

43 The tax impact over the term of the bonds on commercial
44 property valued by the county assessor at \$1,000,000 AND
45 \$2,000,000 is estimated to be \$___ per year for ___ years, or

1 \$_____ total cost AND \$___ PER YEAR FOR ___ YEARS, OR \$___
2 TOTAL COST, RESPECTIVELY.

3 The tax impact over the term of the bonds on
4 agricultural or other vacant property valued by the county
5 assessor at \$100,000 is estimated to be \$_____ per year for ___
6 years, or \$_____ total cost.

7 (h) In ~~bold-faced~~ BOLDFACE type, estimated total cost of the
8 proposed bond authorization, including principal and interest.

9 (i) Current outstanding general obligation debt and constitutional
10 debt limitation.

11 (j) Projects and expenditures for which the bonds are to be issued.
12 The purpose statement shall only present factual information in a neutral
13 manner. Advocacy for the expenditures is strictly limited to the
14 arguments submitted pursuant to subdivision (n) of this paragraph.

15 (k) Purpose for which the bonds are to be issued and, if
16 applicable, in ~~bold-faced~~ BOLDFACE type, that the amount of the proposed
17 bond authorization combined with the current outstanding debt exceeds the
18 political subdivision's constitutional debt limit.

19 (l) Polling location for the addressee.

20 (m) Hours during the day when the polls will be open.

21 (n) Arguments for and against the authorization of one or more of
22 the bond propositions. Each argument filed shall contain the sworn
23 statement of the person submitting it. If the argument is submitted by an
24 organization, it shall contain the sworn statement of two executive
25 officers of the organization. If the argument is submitted by a political
26 committee, it shall contain the sworn statement of the committee's
27 chairperson or treasurer. If the argument is submitted by an individual
28 and not on behalf of an organization, a political committee or any other
29 group, the person shall submit the argument with a sworn, notarized
30 statement. The names of persons and entities submitting written arguments
31 shall be included in the informational pamphlet. Persons signing the
32 argument shall identify themselves by giving their residence address and
33 telephone number, which may not appear in the informational pamphlet,
34 except that the person's city or town and state of residence shall appear
35 in the pamphlet. Any argument that is submitted and that does not comply
36 with this subdivision may not be included in the pamphlet.

37 2. Set a deadline to submit arguments for and against the
38 authorization of one or more of the bond propositions at a public meeting
39 and publish the deadline in a newspaper of general circulation in the
40 jurisdiction of the political subdivision.

41 B. The failure of any one or more electors to receive the
42 informational pamphlet shall not be grounds to invalidate the election.
43 The election shall conform with the general election laws of this state.
44 The return of the election held in a county shall be made to the board of

1 supervisors and, in any other case, to the governing body or board of the
2 municipal corporation or district within twelve days after the election.

3 C. For any proposed general obligation bond authorization for which
4 the principal and interest will be paid by a levy of property taxes, the
5 ballot shall contain the phrase **IN BOLDFACE TYPE** "the issuance of these
6 bonds will result in a property tax increase sufficient to pay the annual
7 debt service on bonds". Any written information provided by the political
8 subdivision pertaining to the bond election shall include financial
9 information showing the estimated average tax rate for the proposed bond
10 authorization. If the bonds are to be repaid with secondary property
11 taxes, the ballot shall contain the words "bond approval, yes" and "bond
12 approval, no", and the voter shall signify the voter's desired choice.
13 The ballot shall also contain the following statement:

14 A "yes" vote shall authorize the _____ governing body
15 to issue and sell \$_____ of _____ bonds of the district to
16 be repaid with secondary property taxes.

17 A "no" vote shall not authorize the _____ governing
18 body to issue and sell such bonds of the district.

19 D. If the governing body intends to use revenues other than
20 property taxes to pay the debt on proposed general obligation bonds, the
21 ballot shall contain the phrase "the issuance of these bonds will result
22 in a property tax increase sufficient to pay the annual debt service on
23 bonds, unless the governing body provides for payment from other sources".

24 E. The board of supervisors, governing body or governing board
25 shall hold a special meeting within twenty days after the election to
26 canvass the votes cast and certify the result. The certificate of the
27 result shall be prima facie evidence of full performance of all conditions
28 and requirements precedent to holding the election.

29 F. The governing board or body shall file and record in the office
30 of the county recorder a certificate disclosing the purpose of the
31 election, the total number of votes cast and the total number of votes for
32 and against creating the indebtedness, and stating whether or not the
33 indebtedness is ordered. On filing and recording the certificate, the
34 governing board or body shall carry out the purpose of the election.

35 G. Variations between the estimates required by subsection A of
36 this section and the actual debt retirement schedules, issuance costs,
37 annual and total costs and tax rates shall not invalidate either the
38 election or the bonds.

39 Sec. 6. Section 41-1276, Arizona Revised Statutes, is amended to
40 read:

41 41-1276. Truth in taxation levy for equalization assistance
42 to school districts

43 A. On or before February 15 of each year, the joint legislative
44 budget committee shall compute and transmit the truth in taxation rates

1 for equalization assistance for school districts for the following fiscal
2 year to:

3 1. The chairpersons of the house of representatives ways and means
4 committee and the senate finance committee, or their successor committees.

5 2. The chairpersons of the appropriations committees of the senate
6 and the house of representatives, or their successor committees.

7 B. The truth in taxation rates consist of the qualifying tax rate
8 for a high school district or a common school district within a high
9 school district that does not offer instruction in high school subjects
10 pursuant to section 15-971, subsection B, paragraph 1 and a qualifying tax
11 rate for a unified district, a common school district not within a high
12 school district or a common school district within a high school district
13 that offers instruction in high school subjects pursuant to section
14 15-971, subsection B, paragraph 2 that will offset the change in net
15 assessed valuation of property that was subject to tax in the prior year.

16 C. The joint legislative budget committee shall compute the truth
17 in taxation rates as follows:

18 1. Determine the statewide net assessed value for the preceding tax
19 year as provided in section 42-17151, subsection A, paragraph 3.

20 2. Determine the statewide net assessed value for the current tax
21 year, excluding the net assessed value of property that was not subject to
22 tax in the preceding year.

23 3. Divide the amount determined in paragraph 1 of this subsection
24 by the amount determined in paragraph 2 of this subsection.

25 4. Adjust the qualifying tax rates for the current fiscal year by
26 the percentage determined in paragraph 3 of this subsection in order to
27 offset the change in net assessed value.

28 D. Except as provided in subsections E and G of this section, the
29 qualifying tax rate for a high school district or a common school district
30 within a high school district that does not offer instruction in high
31 school subjects and the qualifying tax rate for a unified school district,
32 a common school district not within a high school district or a common
33 school district within a high school district that offers instruction in
34 high school subjects for the following fiscal year shall be the rate
35 determined by the joint legislative budget committee pursuant to
36 subsection C of this section. The committee shall transmit the rates to
37 the superintendent of public instruction and the county boards of
38 supervisors by March 15 of each year.

39 E. If the legislature proposes qualifying tax rates that exceed the
40 truth in taxation rate:

41 1. The house of representatives ways and means committee and the
42 senate finance committee, or their successor committees, shall hold a
43 joint hearing on or before February 28 and publish a notice of a truth in
44 taxation hearing subject to the following requirements:

1 (a) The notice shall be published twice in a newspaper of general
2 circulation in this state that is published at the state capital. The
3 first publication shall be at least fourteen but not more than twenty days
4 before the date of the hearing. The second publication shall be at least
5 seven but not more than ten days before the date of the hearing.

6 (b) The notice shall be published in a location other than the
7 classified or legal advertising section of the newspaper.

8 (c) The notice shall be at least one-fourth page in size and shall
9 be surrounded by a solid black border at least one-eighth inch in width.

10 (d) The notice shall be in the following form, with the "truth in
11 taxation hearing - notice of tax increase" headline in at least
12 eighteen-point type:

13 Truth in Taxation Hearing
14 Notice of Tax Increase

15 In compliance with section 41-1276, Arizona Revised
16 Statutes, the state legislature is notifying property
17 taxpayers in Arizona of the legislature's intention to raise
18 the property tax levy over last year's level.

19 The proposed tax increase will cause the taxes on a
20 \$100,000 AND \$400,000 home to be \$(total proposed taxes
21 including the tax increase) AND \$(TOTAL PROPOSED TAXES
22 INCLUDING THE TAX INCREASE), RESPECTIVELY. Without the
23 proposed tax increase, the total taxes that would be owed on a
24 \$100,000 AND \$400,000 home would have been \$_____ AND
25 \$_____, RESPECTIVELY.

26 All interested citizens are invited to attend a public
27 hearing on the tax increase that is scheduled to be held
28 (date and time) at (location).

29 (e) For the purposes of computing the tax increase on a \$100,000
30 AND \$400,000 home as required by the notice, the joint meeting of the
31 house of representatives ways and means committee and the senate finance
32 committee, or their successor committees, shall consider the difference
33 between the truth in taxation rate and the proposed increased rate.

34 2. The joint meeting of the house of representatives ways and means
35 committee and the senate finance committee, or their successor committees,
36 shall consider any motion to recommend the proposed tax rates to the full
37 legislature by roll call vote.

38 F. In addition to publishing the truth in taxation notice under
39 subsection E, paragraph 1 of this section, the joint meeting of the house
40 of representatives ways and means committee and the senate finance
41 committee, or their successor committees, shall issue a press release
42 containing the truth in taxation notice.

43 G. Notwithstanding any other law, the legislature shall not adopt a
44 state budget that provides for qualifying tax rates pursuant to section
45 15-971 that exceed the truth in taxation rates computed pursuant to

1 subsection A of this section unless the rates are adopted by a concurrent
2 resolution approved by an affirmative roll call vote of two-thirds of the
3 members of each house of the legislature before the legislature enacts the
4 general appropriations bill. If the resolution is not approved by
5 two-thirds of the members of each house of the legislature, the rates for
6 the following fiscal year shall be the truth in taxation rates determined
7 pursuant to subsection C of this section and shall be transmitted to the
8 superintendent of public instruction and the county boards of supervisors.

9 H. Notwithstanding subsection C of this section and if approved by
10 the qualified electors voting at a statewide general election, the
11 legislature shall not set a qualifying tax rate that exceeds \$2.1265 for a
12 common or high school district or \$4.253 for a unified school district.
13 The legislature shall not set a county equalization assistance for
14 education rate that exceeds \$0.5123.

15 I. Pursuant to subsection C of this section, the qualifying tax
16 rate in tax year 2025 for a high school district or a common school
17 district within a high school district that does not offer instruction in
18 high school subjects as provided in section 15-447 is \$1.5606 and for a
19 unified school district, a common school district not within a high school
20 district or a common school district within a high school district that
21 offers instruction in high school subjects as provided in section 15-447
22 is \$3.1212.

23 Sec. 7. Section 42-17107, Arizona Revised Statutes, is amended to
24 read:

25 42-17107. Truth in taxation notice and hearing; roll call
26 vote on tax increase; definition

27 A. On or before February 10 of the tax year, the county assessor
28 shall transmit and certify to the property tax oversight commission and to
29 the governing body of the county, city or town the total net assessed
30 values that are required to compute the levy limit prescribed by section
31 42-17051. If the proposed primary property tax levy, excluding amounts
32 that are attributable to new construction, is greater than the amount
33 levied by the county, city or town in the preceding tax year in the
34 county, city or town:

35 1. The governing body shall publish a notice that meets all of the
36 following requirements:

37 (a) Is published twice in a newspaper of general circulation in the
38 county, city or town. The first publication shall be at least fourteen
39 but not more than twenty days before the date of the hearing. The second
40 publication shall be at least seven but not more than ten days before the
41 date of the hearing.

42 (b) Is published in a location other than the classified or legal
43 advertising section of the newspaper in which it is published.

44 (c) Is at least one-fourth page in size and is surrounded by a
45 solid black border at least one-eighth inch in width.

1 (d) Is in the following form, with the "truth in taxation hearing
2 notice of tax increase" headline in at least eighteen-point type:

3 Truth in Taxation Hearing
4 Notice of Tax Increase

5 In compliance with section 42-17107, Arizona Revised
6 Statutes, (name of county, city or town) is notifying its
7 property taxpayers of (name of county, city or town)'s
8 intention to raise its primary property taxes over last year's
9 level. (name of county, city or town) is proposing an
10 increase in primary property taxes of \$_____ or ____%.

11 For example, the proposed tax increase will cause (name
12 of county, city or town)'s primary property taxes on a
13 \$100,000 AND \$400,000 home to be \$(total proposed taxes
14 including the tax increase) AND \$(TOTAL PROPOSED TAXES
15 INCLUDING THE TAX INCREASE), RESPECTIVELY. Without the
16 proposed tax increase, the total taxes that would be owed on a
17 \$100,000 AND \$400,000 home would have been \$_____ AND \$_____.
18 RESPECTIVELY.

19 This proposed increase is exclusive of increased primary
20 property taxes received from new construction. The increase
21 is also exclusive of any changes that may occur from property
22 tax levies for voter approved bonded indebtedness or budget
23 and tax overrides.

24 All interested citizens are invited to attend the public
25 hearing on the tax increase that is scheduled to be held
26 (date and time) at (location).

27 (e) Is included in the estimates of revenues and expenses pursuant
28 to section 42-17103 and in the budget finally adopted pursuant to section
29 42-17105.

30 2. In lieu of publishing the truth in taxation notice, the
31 governing body may mail the truth in taxation notice prescribed by
32 paragraph 1, subdivision (d) of this subsection to all registered voters
33 in the county, city or town at least ten but not more than twenty days
34 before the date of the hearing on the estimates pursuant to section
35 42-17104.

36 3. In addition to publishing the truth in taxation notice under
37 paragraph 1 of this subsection or mailing the notice under paragraph 2 of
38 this subsection, the governing body shall issue a press release containing
39 the truth in taxation notice. The press release must:

40 (a) Include the name of the newspaper of general circulation in
41 which the truth in taxation notice will be published and the dates on
42 which the truth in taxation notice will be published.

43 (b) Be posted on the official website of the county, city or town.

44 4. The governing body shall consider a motion to levy the increased
45 property taxes by roll call vote. If the proposed levy, exclusive of

1 increased property taxes received from new construction, constitutes an
2 increase over the preceding tax year's levy by fifteen percent or more,
3 the motion to levy the increased property taxes must be approved by a
4 unanimous roll call vote of the governing body.

5 5. Within three days after the hearing, the governing body shall
6 mail a copy of the truth in taxation notice, a statement of its
7 publication or mailing and the result of the governing body's vote under
8 paragraph 4 of this subsection to the property tax oversight commission.

9 6. The governing body shall hold the truth in taxation hearing on
10 or before the adoption of the county, city or town budget under section
11 42-17105.

12 B. If the governing body fails to comply with the requirements of
13 this section, the governing body shall not fix, levy or assess an amount
14 of primary property taxes that exceeds the preceding year's amount, except
15 for amounts attributable to new construction.

16 C. For the purposes of this section, "amount attributable to new
17 construction" means the net assessed valuation of property added to the
18 tax roll since the previous year multiplied by a property tax rate
19 computed by dividing the primary property tax levy of the county, city or
20 town in the preceding year by the estimate of the total net assessed
21 valuation of the county, city or town for the current year, excluding the
22 net assessed valuation attributable to new construction.

23 Sec. 8. Section 48-254, Arizona Revised Statutes, is amended to
24 read:

25 48-254. Truth in taxation notice and hearing; roll call vote
26 on tax increase; definition

27 A. On or before February 10 of the tax year, the county assessor
28 shall transmit and certify to the property tax oversight commission and to
29 the governing body of each county flood control district, county free
30 library district, county jail district and public health services district
31 the total net assessed values that are required to compute the levy
32 prescribed by sections 48-3620, 48-3903, 48-4023, 48-4023.01 and 48-5805.
33 If the proposed secondary property tax levy of the special taxing
34 district, excluding amounts attributable to new construction, is greater
35 than the amount levied by the special taxing district in the preceding tax
36 year:

37 1. The governing body shall publish a notice that meets all of the
38 following requirements:

39 (a) Is published twice in a newspaper of general circulation in the
40 county. The first publication shall be at least fourteen but not more
41 than twenty days before the date of the hearing. The second publication
42 shall be at least seven but not more than ten days before the date of the
43 hearing.

44 (b) Is published in a location other than the classified or legal
45 advertising section of the newspaper in which it is published.

1 (c) Is at least one-fourth page in size and is surrounded by a
2 solid black border at least one-eighth inch in width.

3 (d) Is in the following form, with the "truth in taxation
4 hearing-notice of tax increase" headline in at least eighteen-point type:

5 Truth in Taxation Hearing

6 Notice of Tax Increase

7 In compliance with section 48-254, Arizona Revised
8 Statutes, (name of special taxing district) is notifying its
9 property taxpayers of (name of special taxing district)'s
10 intention to raise its secondary property taxes over last
11 year's level. (name of special taxing district) is proposing
12 an increase in secondary property taxes of \$ _____ or
13 _____%.

14 For example, the proposed tax increase will cause (name
15 of special taxing district)'s secondary property taxes on a
16 \$100,000 AND \$400,000 home to be \$(total proposed taxes
17 including the tax increase) AND \$(TOTAL PROPOSED TAXES
18 INCLUDING THE TAX INCREASE), RESPECTIVELY. Without the
19 proposed tax increase, the total taxes that would be owed on a
20 \$100,000 AND \$400,000 home would have been \$ _____ AND
21 \$ _____, RESPECTIVELY.

22 This proposed increase is exclusive of increased
23 secondary property taxes received from new construction. The
24 increase is also exclusive of any changes that may occur from
25 property tax levies for voter-approved bonded indebtedness.

26 All interested citizens are invited to attend the public
27 hearing on the tax increase that is scheduled to be held
28 (date and time) at (location).

29 (e) Is included in the proposed budget and in the budget finally
30 adopted pursuant to section 48-252.

31 2. Instead of publishing the truth in taxation notice, the
32 governing body may mail the truth in taxation notice prescribed by
33 paragraph 1, subdivision (d) of this subsection to all registered voters
34 in the special taxing district at least ten but not more than twenty days
35 before the date of the hearing on the estimates pursuant to section
36 42-17104.

37 3. In addition to publishing the truth in taxation notice under
38 paragraph 1 of this subsection or mailing the notice under paragraph 2 of
39 this subsection, the governing body shall issue a press release containing
40 the truth in taxation notice. The press release must:

41 (a) Include the name of the newspaper of general circulation in
42 which the truth in taxation notice will be published and the dates on
43 which the truth in taxation notice will be published.

44 (b) Be posted on the official website of the special taxing
45 district.

- 1 4. The governing body may only consider a motion to levy the
2 increased property taxes by roll call vote.
- 3 5. Within three days after the hearing, the governing body shall
4 mail a copy of the truth in taxation notice, as a statement of its
5 publication or mailing, and the result of the governing body's vote under
6 paragraph 4 of this subsection to the property tax oversight commission.
- 7 6. The governing body shall hold the truth in taxation hearing
8 concurrently with the adoption of the county budget under section
9 42-17105.
- 10 B. If the governing body fails to comply with the requirements of
11 this section, the governing body may not fix, levy or assess an amount of
12 secondary property taxes that exceeds the preceding year's amount, except
13 for amounts attributable to new construction.
- 14 C. For the purposes of this section, "amounts attributable to new
15 construction" means the net assessed valuation of property added to the
16 tax roll since the previous year multiplied by a property tax rate
17 computed by dividing the secondary property tax levy of the special taxing
18 district in the preceding year by the estimate of the total net assessed
19 valuation of the special taxing district for the current year, excluding
20 the net assessed valuation attributable to new construction.