

REFERENCE TITLE: school districts; records; noncompliance; penalties

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

HB 2481

Introduced by
Representative Gress

AN ACT

AMENDING SECTIONS 15-272, 15-302, 15-481 AND 15-491, ARIZONA REVISED
STATUTES; RELATING TO SCHOOL DISTRICT FINANCIAL RECORDS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Section 15-272, Arizona Revised Statutes, is amended to
3 read:

4 15-272. Duties; department of education; state board of
5 education; sanctions for noncompliance with uniform
6 system of financial records; civil penalties

7 A. The department of education shall advise and consult with the
8 auditor general in ~~the preparation~~ PREPARING and ~~implementation of~~
9 IMPLEMENTING a uniform system of financial records.

10 B. The state board of education, on report from the auditor
11 general, shall determine whether school districts are maintaining the
12 uniform system of financial records. If the state board of education
13 determines that a school district is not in compliance with the uniform
14 system of financial records or has failed to correct a deficiency ~~within~~
15 ~~ninety days after receiving notice from the auditor general~~ FOR ONE OF THE
16 FOLLOWING PERIODS OF TIME, the state board of education shall:

17 1. IF THE SCHOOL DISTRICT FAILS TO CORRECT A DEFICIENCY WITHIN
18 NINETY DAYS AFTER RECEIVING NOTICE FROM THE AUDITOR GENERAL, DO BOTH OF
19 THE FOLLOWING:

20 (a) Direct the superintendent of public instruction to withhold up
21 to ten ~~per cent~~ PERCENT of the portion of state monies to the school
22 district for each violation from the date of the determination until such
23 time as the auditor general reports THE SCHOOL DISTRICT'S compliance with
24 the uniform system of financial records. The auditor general and the
25 department of education shall assist the school district to achieve
26 compliance during such period.

27 (b) CONSULT WITH THE DEPARTMENT OF EDUCATION TO DETERMINE THE
28 AMOUNT OF TRAINING AND OTHER INTERVENTIONS NECESSARY OR APPROPRIATE TO
29 ASSIST THE SCHOOL DISTRICT TO ACHIEVE COMPLIANCE AND DIRECT THE DEPARTMENT
30 OF EDUCATION TO PROVIDE THE TRAINING AND INTERVENTIONS WITHIN THIRTY
31 CALENDAR DAYS. ANY TRAINING UNDER THIS SUBDIVISION MUST BE PROVIDED TO
32 THE SCHOOL DISTRICT'S SUPERINTENDENT, BUSINESS MANAGER AND CHIEF FINANCIAL
33 OFFICER AND ANY OTHER ADMINISTRATOR OR EXECUTIVE IDENTIFIED BY THE STATE
34 BOARD OF EDUCATION OR THE DEPARTMENT OF EDUCATION. THE DEPARTMENT SHALL
35 NOTIFY THE STATE BOARD OF EDUCATION WHEN THE TRAINING AND INTERVENTIONS
36 PROVIDED PURSUANT TO THIS SUBDIVISION ARE COMPLETED. THE DEPARTMENT MAY
37 CONTRACT WITH A THIRD PARTY TO PROVIDE THE TRAINING AND
38 INTERVENTIONS. THE SCHOOL DISTRICT SHALL PAY FOR ANY COSTS INCURRED BY
39 THE DEPARTMENT TO PROVIDE THE TRAINING AND INTERVENTIONS PURSUANT TO THIS
40 SUBDIVISION.

41 2. IF THE SCHOOL DISTRICT FAILS TO CORRECT A DEFICIENCY WITHIN
42 EIGHTEEN MONTHS AFTER RECEIVING NOTICE FROM THE AUDITOR GENERAL, IMPOSE A
43 CIVIL PENALTY AGAINST THE SCHOOL DISTRICT'S SUPERINTENDENT IN AN AMOUNT
44 EQUAL TO \$1,000 FOR EACH MONTH, BEGINNING THE EIGHTEENTH MONTH, UNTIL SUCH

1 TIME AS THE AUDITOR GENERAL REPORTS THE SCHOOL DISTRICT'S COMPLIANCE WITH
2 THE UNIFORM SYSTEM OF FINANCIAL RECORDS.

3 C. The general budget limit and maintenance and operations section
4 of the budget for the current year and for the budget year if the school
5 district is not in compliance before the end of the current year, shall
6 be reduced by the amount determined in subsection B, PARAGRAPH 1 OF THIS
7 SECTION until the state board of education determines that the school
8 district is in compliance.

9 D. If compliance is determined by the state board of education in
10 the same year as the determination of noncompliance or in the first year
11 after the fiscal year of the determination of noncompliance, the resulting
12 adjustment to budgeted maintenance and operations and to the general
13 budget limit may be applied to the fiscal year of the determination of
14 noncompliance equal to the amount adjusted in that fiscal year or to the
15 current year equal to the amount adjusted in the current year. Previously
16 withheld monies that resulted from the determination of noncompliance
17 shall be returned in the year compliance is determined.

18 Sec. 2. Section 15-302, Arizona Revised Statutes, is amended to
19 read:

20 15-302. Powers and duties

21 A. The county school superintendent shall:

22 1. Distribute all laws, reports, circulars, instructions and forms
23 that the county school superintendent may receive for the use of school
24 officers.

25 2. Record all official acts.

26 3. Appoint governing board members of school districts to fill all
27 vacancies, but the term of the appointment shall be until the next regular
28 election for governing board members, at which time a successor shall be
29 elected to serve the unexpired portion of the term. A person who is
30 subject to registration as a sex offender in this state or in any other
31 jurisdiction is ineligible for appointment under this paragraph. Within
32 thirty days after notification of a vacancy, the school district governing
33 board may submit up to three names to the county school superintendent for
34 consideration of an appointment to fill the vacancy. The county school
35 superintendent is not required to appoint a governing board member from
36 the list of names submitted by the governing board. The county school
37 superintendent, if the county school superintendent deems it in the best
38 interest of the community, may call a special election to fill the
39 vacancies. If an election is called, the newly elected member shall serve
40 for the remainder of the unexpired portion of the term.

41 4. Make reports, when directed by the superintendent of public
42 instruction, showing matters relating to schools in the county as may be
43 required on the forms furnished by the superintendent of public
44 instruction.

1 5. Have such powers and perform such duties as otherwise prescribed
2 by law.

3 6. On or before October 1 of each year, report to the
4 superintendent of public instruction the amount of monies received from
5 state school funds, special school district taxes and other sources, the
6 total expenditures for school purposes and the balance on hand to the
7 credit of each school district at the close of the school year.

8 7. Contract with the board of supervisors for the board of
9 supervisors to conduct all regular school district elections.

10 8. Be responsible, in cooperation with the school district
11 governing boards and the board of supervisors, for all special school
12 district elections.

13 9. Maintain teacher and administrator certification records of
14 effective dates and expiration dates of teachers' and administrators'
15 certificates in compliance with guidelines prescribed in the uniform
16 system of financial records for those school districts for which the
17 county school superintendent is the fiscal agent. The county school
18 superintendent shall not draw a warrant in payment of a teacher's,
19 substitute teacher's or administrator's salary unless the teacher,
20 substitute teacher or administrator is legally certified during the fiscal
21 year in which the term for payment is demanded.

22 10. Notify a school district three years before the expiration of a
23 revenue control limit override that the school district's budget must be
24 adjusted in the final two years of the override pursuant to section
25 15-481, subsections ~~P~~ Q and ~~Q~~ R, if the voters do not approve another
26 override.

27 11. In collaboration with the department of education and other
28 state agencies, assist school districts, charter schools, county free
29 library districts, municipal libraries, nonprofit and public libraries,
30 tribal libraries, private schools and tribal schools on using student
31 data, staff development, curriculum alignment and technology to improve
32 student performance.

33 12. Assist schools in meeting yearly adequate progress goals as
34 defined by criteria established by the state board of education and
35 implemented by the department of education.

36 B. At the request of school districts and charter schools, the
37 county school superintendent may provide discretionary programs in
38 addition to the programs prescribed in subsection A of this section.

39 C. The county school superintendent may:

40 1. Provide the services prescribed in subsections A and B of this
41 section in the county or jointly with two or more counties pursuant to
42 title 11, chapter 7, article 3.

43 2. Review the operations and finances, including expenditures, of
44 any school district that is located in the county.

1 D. Each county school superintendent may establish an advisory
2 committee to the office of the county school superintendent.

3 Sec. 3. Section 15-481, Arizona Revised Statutes, is amended to
4 read:

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

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

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

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

1 4. The total amount of the current year's budget, the total amount
2 of the proposed budget and the total amount of the alternate budget.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (c) The tax rate associated with each of the proposed capital
2 improvements and the estimated cost of each capital improvement for the
3 owner of a single family home that is valued at \$80,000.

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

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

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

27 2. Ballots shall be counted pursuant to title 16, chapter 4,
28 article 10.

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

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

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

21 1. The amount of the proposed increase of the proposed budget over
22 the alternate budget.

23 2. A statement that the amount of the proposed increase will be
24 based on a percentage of the school district's revenue control limit in
25 future years, if applicable, as provided in subsection ~~P~~ Q of this
26 section.

27 3. The following statement:

28 Any budget increase authorized by this election shall be
29 entirely funded by this school district with revenues from
30 other than a levy of taxes on the taxable property within the
31 school district for the year for which adopted and for ____
32 subsequent years and shall not be realized from monies
33 furnished by the state.

34 G. Except as provided in subsection H of this section, the maximum
35 budget increase that may be requested and authorized as provided in
36 subsection E or F of this section or the combination of subsections E and
37 F of this section is fifteen percent of the revenue control limit as
38 provided in section 15-947, subsection A for the budget year. If a school
39 district requests an override pursuant to section 15-482 or to continue
40 with a budget override pursuant to section 15-482 for pupils in
41 kindergarten programs and grades one through three that was authorized
42 before December 31, 2008, the maximum budget increase that may be
43 requested and authorized as provided in subsection E or F of this section
44 or the combination of subsections E and F of this section is ten percent
45 of the revenue control limit as provided in section 15-947, subsection A

1 for the budget year.

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

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

10 (a) For common or unified districts with a student count of less
 11 than one hundred fifty-four in kindergarten programs and grades one
 12 through eight, the limit computed as prescribed in item (i) or (ii) of
 13 this subdivision, whichever is appropriate:

14 (i)

15	Small School	Support Level Weight		Phase Down
16	Student	for Small Isolated		Reduction
17	<u>Count</u>	<u>School Districts</u>	<u>Base Level</u>	<u>Factor</u>
18	_____ - 125	x 1.358 + (0.0005 x	x \$ _____	= \$ _____
19		(500 - Student Count))		
20			Small Isolated	
21	Phase Down	Phase Down	School District	
22	<u>Base</u>	<u>Reduction Factor</u>	<u>Elementary Limit</u>	
23	\$150,000 -	\$ _____	= \$ _____	

24 (ii)

25	Small School	Support Level Weight		Phase Down
26	Student	for Small		Reduction
27	<u>Count</u>	<u>School Districts</u>	<u>Base Level</u>	<u>Factor</u>
28	_____ - 125	x 1.278 + (0.0003 x	x \$ _____	= \$ _____
29		(500 - Student Count))		
30			Small	
31	Phase Down	Phase Down	School District	
32	<u>Base</u>	<u>Reduction Factor</u>	<u>Elementary Limit</u>	
33	\$150,000 -	\$ _____	= \$ _____	

34 (b) For unified or union high school districts with a student count
 35 of less than one hundred seventy-six in grades nine through twelve, the
 36 limit computed as prescribed in item (i) or (ii) of this subdivision,
 37 whichever is appropriate:

38 (i)

39	Small School	Support Level Weight		Phase Down
40	Student	for Small Isolated		Reduction
41	<u>Count</u>	<u>School Districts</u>	<u>Base Level</u>	<u>Factor</u>
42	_____ - 100	x 1.468 + (0.0005 x	x \$ _____	= \$ _____
43		(500 - Student Count))		
44			Small Isolated	
45	Phase Down	Phase Down	District	

$$\begin{array}{l}
 1 \quad \quad \quad \frac{\text{Base}}{\$350,000} \quad - \quad \frac{\text{Reduction Factor}}{\$ \underline{\hspace{2cm}}} \quad = \quad \frac{\text{Secondary Limit}}{\$ \underline{\hspace{2cm}}} \\
 2 \\
 3 \quad \quad \quad (ii) \\
 4 \quad \quad \quad \text{Small School} \quad \text{Support Level Weight} \quad \quad \quad \text{Phase Down} \\
 5 \quad \text{Student} \quad \text{Student} \quad \text{for Small} \quad \quad \quad \text{Reduction} \\
 6 \quad \underline{\text{Count}} \quad \underline{\text{Count Limit}} \quad \underline{\text{School Districts}} \quad \underline{\text{Base Level}} \quad \underline{\text{Factor}} \\
 7 \quad \underline{\hspace{2cm}} - \underline{100} \times 1.398 + (0.0004 \times \underline{\hspace{2cm}} \times \underline{\hspace{2cm}} = \underline{\hspace{2cm}} \\
 8 \quad \quad \quad \quad \quad \quad \quad (500 - \text{Student Count})) \\
 9 \\
 10 \quad \quad \quad \text{Phase Down} \quad \text{Phase Down} \quad \quad \quad \text{Small} \\
 11 \quad \quad \quad \frac{\text{Base}}{\$350,000} \quad - \quad \frac{\text{Reduction Factor}}{\$ \underline{\hspace{2cm}}} \quad = \quad \frac{\text{Secondary Limit}}{\$ \underline{\hspace{2cm}}} \\
 12 \quad \quad \quad \quad \quad \quad \quad \quad \quad \quad \quad \quad \quad \quad \quad \text{School District}
 \end{array}$$

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

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

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

35 3. Notwithstanding subsection ~~P~~ Q of this section, the maximum
 36 period of an override authorized pursuant to this subsection is five
 37 years.

38 4. Subsection ~~P~~ Q, paragraphs 1 and 2 of this section do not apply
 39 to overrides authorized pursuant to this subsection.

40 I. If the election is to exceed the revenue control limit as
 41 provided in section 15-482 and if the proposed increase will be fully
 42 funded by a levy of taxes on the taxable property within the school
 43 district, the ballot shall contain the words "budget increase, yes" and
 44 "budget increase, no", and the voter shall signify the voter's desired
 45 choice. The ballot shall also contain the amount of the proposed increase

1 of the budget over the alternate budget, a statement that the amount of
2 the proposed increase will be based on a percentage of the school
3 district's revenue control limit in future years, if applicable, as
4 provided in subsection ~~R~~ R of this section, and the following statement:

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

20 J. If the election is to exceed the revenue control limit as
21 provided in section 15-482 and if the proposed increase will be fully
22 funded by revenues other than a levy of taxes on the taxable property
23 within the school district, the ballot shall contain the words "budget
24 increase, yes" and "budget increase, no", and the voter shall signify the
25 voter's desired choice. The ballot shall also contain the amount of the
26 proposed increase of the proposed budget over the alternate budget, a
27 statement that the amount of the proposed increase will be based on a
28 percentage of the school district's revenue control limit in future years,
29 if applicable, as provided in subsection ~~R~~ R of this section and the
30 following statement:

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

1 K. The maximum budget increase that may be requested and authorized
 2 as provided in subsection I or J of this section, or a combination of both
 3 of these subsections, is five percent of the revenue control limit as
 4 provided in section 15-947, subsection A for the budget year. For a
 5 common school district not within a high school district or a common
 6 school district within a high school district that offers instruction in
 7 high school subjects as provided in section 15-447, five percent of the
 8 revenue control limit means five percent of the revenue control limit
 9 attributable to the weighted student count in preschool programs for
 10 children with disabilities, kindergarten programs and grades one through
 11 eight as provided in section 15-971, subsection B. For a unified school
 12 district, five percent of the revenue control limit means five percent of
 13 the revenue control limit attributable to the weighted student count in
 14 preschool programs for children with disabilities, kindergarten programs
 15 and grades one through twelve. For a union high school district, five
 16 percent of the revenue control limit means five percent of the revenue
 17 control limit attributable to the weighted student count in grades nine
 18 through twelve.

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

28 Any budget increase authorized by this election shall be
 29 entirely funded by a levy of taxes on the taxable property
 30 within this school district for the year in which adopted and
 31 for _____ subsequent years, shall not be realized from monies
 32 furnished by the state and shall not be subject to the
 33 limitation on taxes specified in article IX, section 18,
 34 Constitution of Arizona. Based on the current net assessed
 35 valuation used for secondary property tax purposes, to fund
 36 the proposed increase in the school district's budget would
 37 require an estimated tax rate of \$_____ per \$100 of net
 38 assessed valuation used for secondary property tax purposes
 39 and is in addition to the school district's tax rate that will
 40 be levied to fund the school district's district additional
 41 assistance allowed by law.

42 M. If the election is to exceed district additional assistance and
 43 if the proposed increase will be fully funded by revenues from other than
 44 a levy of taxes on the taxable property within the school district, the
 45 ballot shall contain the words "budget increase, yes" and "budget

1 increase, no", and the voter shall signify the voter's desired choice. An
2 election held pursuant to this subsection shall be held on the first
3 Tuesday after the first Monday of November. The ballot shall also contain
4 the amount of the proposed increase of the proposed budget over the
5 alternate budget and the following statement:

6 Any budget increase authorized by this election shall be
7 entirely funded by this school district with revenues from
8 other than a levy of taxes on the taxable property within the
9 school district for the year in which adopted and for _____
10 subsequent years and shall not be realized from monies
11 furnished by the state.

12 N. If the election is to exceed a combination of the revenue
13 control limit as provided in subsection E or F of this section, the
14 revenue control limit as provided in subsection I or J of this section or
15 district additional assistance as provided in subsection L or M of this
16 section, the ballot shall be prepared so that the voters may vote on each
17 proposed increase separately and shall contain statements required in the
18 same manner as if each proposed increase were submitted separately.

19 O. IF A SCHOOL DISTRICT FAILS TO CORRECT A DEFICIENCY WITHIN NINETY
20 DAYS AFTER RECEIVING NOTICE FROM THE AUDITOR GENERAL PURSUANT TO SECTION
21 15-271, THE SCHOOL DISTRICT GOVERNING BOARD MAY NOT ORDER AN OVERRIDE
22 ELECTION AS PROVIDED IN SUBSECTION L OR M OF THIS SECTION UNTIL THE SCHOOL
23 DISTRICT HAS CORRECTED ANY DEFICIENCIES. FOR THE PURPOSES OF THIS
24 SUBSECTION, THE SCHOOL DISTRICT IS DEEMED TO HAVE CORRECTED ANY
25 DEFICIENCIES FROM AND AFTER THE DATE THAT THE AUDITOR GENERAL REPORTS THAT
26 THE SCHOOL DISTRICT IS IN COMPLIANCE WITH THE UNIFORM SYSTEM OF FINANCIAL
27 RECORDS.

28 ~~P.~~ P. If the election provides for a levy of taxes on the taxable
29 property within the school district, at least thirty days before the
30 election, the department of revenue shall provide the school district
31 governing board and the county school superintendent with the current net
32 assessed valuation of the school district. The governing board and the
33 county school superintendent shall use the current net assessed valuation
34 of the school district to translate the amount of the proposed dollar
35 increase in the budget of the school district over that allowed by law
36 into a tax rate figure.

37 ~~P.~~ Q. If the voters in a school district vote to adopt a budget in
38 excess of the revenue control limit as provided in subsection E or F of
39 this section, any additional increase shall be included in the aggregate
40 budget limit for each of the years authorized. Any 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 if adopted under subsection E of
45 this section for the period of one year, two years or five through seven

1 years as authorized. If an additional increase is approved as provided in
 2 subsection F of this section, the school district governing board may only
 3 use revenues derived from the school district's prior year's maintenance
 4 and operation fund ending cash balance to fund the additional increase.
 5 If a budget increase was previously authorized and will be in effect for
 6 the budget year or budget year and subsequent years, as provided in
 7 subsection E or F of this section, the governing board may request a new
 8 budget increase as provided in the same subsection under which the prior
 9 budget increase was adopted, which shall not exceed the maximum amount
 10 allowed under subsection G of this section. If the voters in the school
 11 district authorize the new budget increase amount, the existing budget
 12 increase no longer is in effect. If the voters in the school district do
 13 not authorize the budget increase amount, the existing budget increase
 14 remains in effect for the time period for which it was authorized. The
 15 maximum additional increase authorized as provided in subsection E or F of
 16 this section and the additional increase that is included in the aggregate
 17 budget limit is based on a percentage of a school district's revenue
 18 control limit in future years, if the budget increase is authorized for
 19 more than one year. If the additional increase:

- 20 1. Is for two years, the proposed increase in the second year is
 21 equal to the initial proposed percentage increase.
- 22 2. Is for five years or more, the proposed increase is equal to the
 23 initial proposed percentage increase in the following years of the
 24 proposed increase, except that in the next to last year it is two-thirds
 25 of the initial proposed percentage increase and it is one-third of the
 26 initial proposed percentage increase in the last year of the proposed
 27 increase.

28 ~~R.~~ R. If the voters in a school district vote to adopt a budget in
 29 excess of the revenue control limit as provided in subsection I or J of
 30 this section, any additional increase shall be included in the aggregate
 31 budget limit for each of the years authorized. Any additional increase
 32 shall be excluded from the determination of equalization assistance. The
 33 school district governing board, however, may levy on the net assessed
 34 valuation used for secondary property tax purposes of the property in the
 35 school district the additional increase if adopted under subsection I of
 36 this section for the period of one year, two years or five through seven
 37 years as authorized. If an additional increase is approved as provided in
 38 subsection J of this section, the increase may only be budgeted and
 39 expended if sufficient monies are available in the maintenance and
 40 operation fund of the school district. If a budget increase was
 41 previously authorized and will be in effect for the budget year or budget
 42 year and subsequent years, as provided in subsection I or J of this
 43 section, the governing board may request a new budget increase as provided
 44 in the same subsection under which the prior budget increase was adopted
 45 that does not exceed the maximum amount permitted under subsection K of

1 this section. If the voters in the school district authorize the new
2 budget increase amount, the existing budget increase no longer is in
3 effect. If the voters in the school district do not authorize the budget
4 increase amount, the existing budget increase remains in effect for the
5 time period for which it was authorized. The maximum additional increase
6 authorized as provided in subsection I or J of this section and the
7 additional increase that is included in the aggregate budget limit is
8 based on a percentage of a school district's revenue control limit in
9 future years, if the budget increase is authorized for more than one year.
10 If the additional increase:

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

13 2. Is for five years or more, the proposed increase is equal to the
14 initial proposed percentage increase in the following years of the
15 proposed increase, except that in the next to last year it is two-thirds
16 of the initial proposed percentage increase and it is one-third of the
17 initial proposed percentage increase in the last year of the proposed
18 increase.

19 ~~R.~~ S. If the voters in a school district vote to adopt a budget in
20 excess of district additional assistance as provided in subsection L of
21 this section, any additional increase shall be included in the aggregate
22 budget limit for each of the years authorized. The additional increase
23 shall be excluded from the determination of equalization assistance. The
24 school district governing board, however, may levy on the net assessed
25 valuation used for secondary property tax purposes of the property in the
26 school district the additional increase for the period authorized but not
27 to exceed ten years. For overrides approved by a vote of the qualified
28 electors of the school district at an election held from and after
29 October 31, 1998, the period of the additional increase prescribed in this
30 subsection shall not exceed seven years for any capital override election.

31 ~~S.~~ T. If the voters in a school district vote to adopt a budget in
32 excess of district additional assistance as provided in subsection M of
33 this section, any additional increase shall be included in the aggregate
34 budget limit for each of the years authorized. The additional increase
35 shall be excluded from the determination of equalization assistance. The
36 school district governing board may only use revenues derived from the
37 school district's prior year's maintenance and operation fund ending cash
38 balance and capital outlay fund ending cash balance to fund the additional
39 increase for the period authorized but not to exceed ten years. For
40 overrides approved by a vote of the qualified electors of the school
41 district at an election held from and after October 31, 1998, the period
42 of the additional increase prescribed in this subsection shall not exceed
43 seven years for any capital override election.

1 ~~F.~~ U. In addition to subsections ~~P~~ Q and ~~S~~ T of this section,
2 from the maintenance and operation fund and capital outlay fund ending
3 cash balances, the school district governing board shall first use any
4 available revenues to reduce its primary tax rate to zero and shall use
5 any remaining revenues to fund the additional increase authorized as
6 provided in subsections F and M of this section.

7 ~~H.~~ V. If the voters in a school district disapprove the proposed
8 budget, the alternate budget that, except for any budget increase
9 authorized by a prior election, does not include an increase in the budget
10 in excess of the amount provided in section 15-905 shall be adopted by the
11 governing board as provided in section 15-905.

12 ~~V.~~ W. The governing board may request that any override election
13 be cancelled if any change in chapter 9 of this title changes the amount
14 of the aggregate budget limit as provided in section 15-905. The request
15 to cancel the override election shall be made to the county school
16 superintendent at least eighty days before the date of the scheduled
17 override election.

18 ~~W.~~ X. For any election conducted pursuant to subsection L or M of
19 this section:

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

22 The capital improvements that are proposed to be funded
23 through this override election are to exceed the state
24 standards and are in addition to monies provided by the state.
25 _____ school district is proposing to increase its
26 budget by \$_____ to fund capital improvements over and
27 above those funded by the state. Under the students first
28 capital funding system, _____ school district is entitled
29 to state monies for new construction and renovation of school
30 buildings in accordance with state law.

31 2. The ballot shall contain the words "budget increase, yes" and
32 "budget increase, no", and the voter shall signify the voter's desired
33 choice.

34 3. At least eighty-five days before the election, the school
35 district shall submit proposed ballot language to the director of the
36 Arizona legislative council. The director of the Arizona legislative
37 council shall review the proposed ballot language to determine whether the
38 proposed ballot language complies with this section. If the director of
39 the Arizona legislative council determines that the proposed ballot
40 language does not comply with this section, the director, within ten
41 calendar days after receiving the proposed ballot language, shall notify
42 the school district of the director's objections, and the school district
43 shall resubmit revised ballot language to the director for approval.

1 ~~Y.~~ Y. If the voters approve the budget increase pursuant to
2 subsection L or M of this section, the school district shall not use the
3 override proceeds for any purposes other than the proposed capital
4 improvements listed in the informational pamphlet, except that up to ten
5 percent of the override proceeds may be used for general capital expenses,
6 including cost overruns of proposed capital improvements.

7 ~~Z.~~ Z. Each school district that currently increases its budget
8 pursuant to this section shall hold a public meeting each year between
9 September 1 and October 31 at which an update of the programs or capital
10 improvements financed through the override is discussed and at which the
11 public is allowed an opportunity to comment and:

12 1. If the increase is pursuant to subsection L or M of this
13 section, at a minimum, the update shall include the progress of capital
14 improvements financed through the override, a comparison of the current
15 status and the original projections on the construction of capital
16 improvements, the costs of capital improvements and the costs of capital
17 improvements in progress or completed since the prior meeting and the
18 future capital plans of the school district. The school district shall
19 include in the public meeting a discussion of the school district's use of
20 state capital aid and voter-approved bonding in funding capital
21 improvements, if any.

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

27 ~~Z.~~ AA. SUBJECT TO THE REQUIREMENTS PRESCRIBED BY SUBSECTION O OF
28 THIS SECTION, if a budget in excess of district additional assistance was
29 previously adopted by the voters in a school district and will be in
30 effect for the budget year or budget year and subsequent years, as
31 provided in subsection L or M of this section, the governing board may
32 request an additional budget in excess of district additional assistance.
33 If the voters in a school district authorize the additional budget in
34 excess of district additional assistance, the existing district additional
35 assistance budget increase remains in effect.

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

39 ~~BB.~~ CC. If the election is to continue to exceed the revenue
40 control limit and if the proposed override will be fully funded by a
41 continuation of a levy of taxes on the taxable property in the school
42 district, the ballot shall contain the words "budget override
43 continuation, yes" and "budget override continuation, no", and the voter
44 shall signify the voter's desired choice. The ballot shall also contain
45 the amount of the proposed continuation of the budget increase of the

1 proposed budget over the alternate budget, a statement that the amount of
2 the proposed increase will be based on a percentage of the school
3 district's revenue control limit in future years, if applicable, as
4 provided in subsection ~~P~~ Q of this section and the following statement:

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

20 ~~cc.~~ DD. If the election is to continue to exceed the revenue
21 control limit as provided in section 15-482 and if the proposed override
22 will be fully funded by a continuation of a levy of taxes on the taxable
23 property in the school district, the ballot shall contain the words
24 "budget override continuation, yes" and "budget override continuation,
25 no", and the voter shall signify the voter's desired choice. The ballot
26 shall also contain the amount of the proposed continuation of the budget
27 increase of the proposed budget over the alternate budget, a statement
28 that the amount of the proposed increase will be based on a percentage of
29 the school district's revenue control limit in future years, if
30 applicable, as provided in subsection ~~P~~ Q of this section and the
31 following statement:

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

1 Sec. 4. Section 15-491, Arizona Revised Statutes, is amended to
2 read:

3 15-491. Elections on school property; exceptions

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

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

9 2. To purchase or sell school sites or buildings or sell school
10 sites pursuant to section 15-342 or to build school buildings, but the
11 authorization by vote of the school district shall not necessarily specify
12 the site to be purchased.

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

27 4. To lease for twenty or more years, as lessor or as lessee,
28 school buildings or grounds. Approval by a majority of the school
29 district electors voting authorizes the governing board to negotiate for
30 and enter into a lease. The ballot shall list the school buildings or
31 grounds for which a lease is sought. If the governing board does not
32 enter into a lease of twenty or more years of the school buildings or
33 grounds listed on the ballot within twenty years after the date of the
34 election and the board continues to seek such a lease, the governing board
35 shall call a special election to reauthorize the board to negotiate for
36 and to enter into a lease of twenty or more years.

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

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

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

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

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

24 E. The elections to be held pursuant to this section shall only be
25 held on dates prescribed by section 16-204, except that elections held
26 pursuant to this section to decide whether class B bonds shall be issued,
27 or any other obligation incurred that will require the assessment of
28 secondary property taxes, shall only be held on the first Tuesday after
29 the first Monday of November.

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

33 G. Bond counsel fees, financial advisory fees, printing costs and
34 paying agent and registrar fees for bonds issued pursuant to an election
35 under this section shall be paid from either the amount authorized by the
36 qualified electors of the school district or current operating funds.
37 Bond election expenses shall be paid from current operating funds only.

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

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

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

4 _____ school district is proposing to issue class B
5 general obligation bonds totaling \$_____ to fund capital
6 improvements over and above those funded by the state. Under
7 the students first capital funding system, _____ school
8 district is entitled to state monies for new construction and
9 renovation of school buildings in accordance with state law.

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

12 _____, a career technical education district, is
13 proposing to issue class B general obligation bonds totaling
14 \$_____ to fund capital improvements at a campus owned or
15 operated and maintained by the career technical education
16 district.

17 3. The ballot shall conform to the requirements of title 35,
18 chapter 3, article 3.

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

31 5. Not later than thirty-five days before a class B bond election
32 conducted pursuant to this section, the school district shall mail an
33 informational pamphlet prepared by the county school superintendent to
34 each household that contains a qualified elector in the school district.
35 The informational pamphlet shall contain, at a minimum, the following
36 information:

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

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

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

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

6 1. The ballot 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 impact
11 aid revenue 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. The ballot shall contain the words "bond approval, yes" and
17 "bond approval, no", and the voter shall signify the voter's desired
18 choice.

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

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

35 (a) The date of the election.

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

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

39 (d) A complete list of each proposed capital improvement that will
40 be funded with the proceeds of the bonds and a description of the proposed
41 cost of each improvement, including a separate aggregation of capital
42 improvements for administrative purposes as defined by the school
43 facilities oversight board.

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

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

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

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

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

32 L. IF A SCHOOL DISTRICT FAILS TO CORRECT A DEFICIENCY WITHIN NINETY
33 DAYS AFTER RECEIVING NOTICE FROM THE AUDITOR GENERAL PURSUANT TO SECTION
34 15-271, THE SCHOOL DISTRICT GOVERNING BOARD MAY NOT CALL AN ELECTION FOR
35 THE PURPOSES SPECIFIED IN SUBSECTION A, PARAGRAPH 3 OR 5 OF THIS SECTION
36 UNTIL THE SCHOOL DISTRICT HAS CORRECTED ANY DEFICIENCIES. FOR THE
37 PURPOSES OF THIS SUBSECTION, THE SCHOOL DISTRICT IS DEEMED TO HAVE
38 CORRECTED ANY DEFICIENCIES FROM AND AFTER THE DATE THAT THE AUDITOR
39 GENERAL REPORTS THAT THE SCHOOL DISTRICT IS IN COMPLIANCE WITH THE UNIFORM
40 SYSTEM OF FINANCIAL RECORDS.

41 ~~L~~ M. If an election is held to change the purpose or list of
42 capital projects authorized by prior voter approval to issue bonds
43 pursuant to subsection A, paragraph 5 of this section, the following
44 requirements apply:

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

1 (d) Arguments for and against the proposed change, if submitted, as
2 provided in section 15-481, subsection B, paragraph 9. The ballot
3 arguments for the proposed change shall be signed as the governing board
4 of the school district without listing any member's individual name for
5 the arguments for the proposed change.

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