REFERENCE TITLE: ASDB; capital improvements; financing; authority

State of Arizona
Senate
Fifty-seventh Legislature
Second Regular Session
2026

SB 1760

Introduced by
Senator Sundareshan

AN ACT

AMENDING SECTIONS 15-1301 AND 15-1323, ARIZONA REVISED STATUTES; RELATING TO THE ARIZONA STATE SCHOOLS FOR THE DEAF AND THE BLIND.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 15-1301, Arizona Revised Statutes, is amended to read:

15-1301. Definitions

In this chapter, unless the context otherwise requires:

1. "BOARD" MEANS THE BOARD OF DIRECTORS FOR THE SCHOOLS.

~~1.~~ 2. "Employee classifications" means one of the following:

(a) Management and supervisory staff WHO ARE on a ~~twelve month~~ TWELVE-MONTH schedule.

(b) Teachers~~,~~ AND credentialed and noncredentialed specialists~~,~~ WHO ARE on an academic schedule.

(c) Clerical, accounting, maintenance workers and others WHO ARE on a ~~twelve month~~ TWELVE-MONTH schedule.

(d) Food service WORKERS and bus drivers WHO ARE on an academic schedule.

~~2.~~ 3. "Hearing impairment" ~~means hearing impairment as defined~~ HAS THE SAME MEANING PRESCRIBED in section 15-761.

~~3.~~ 4. "Schools":

(a) Means the Arizona state schools for the deaf and the blind. ~~and~~

(b) Includes programs and services offered for ~~the~~ deaf and ~~the~~ blind STUDENTS by the schools in conjunction with other educational institutions.

~~4.~~ 5. "Sensory impairment" means the following conditions, as defined in section 15-761:

(a) Visual impairment.

(b) Hearing impairment.

(c) Both a visual IMPAIRMENT and A hearing impairment.

(d) Multiple disabilities, if at least one of the disabilities is a visual or a hearing impairment.

~~5.~~ 6. "Visual impairment" ~~means visual impairment as defined~~ HAS THE SAME MEANING PRESCRIBED in section 15-761.

Sec. 2. Section 15-1323, Arizona Revised Statutes, is amended to read:

15-1323. Board of directors; enterprise fund; powers and duties; capital improvement and school facilities fund; public records; definitions

A. The board may bring actions and proceedings necessary to protect the interests of the schools. THE BOARD SHALL INSTITUTE such proceedings ~~shall be instituted~~ in the name of the Arizona state schools for the deaf and the blind.

B. The board ~~shall be~~ IS trustee of all donations of lands, monies or other things of value for the benefit of the schools. Notwithstanding title 35, chapters 1 and 2, the board may invest monies donated to the ~~school~~ SCHOOLS through a contract with an investment specialist. The superintendent of the schools shall annually report to the board on the use of monies received as donations or income from donations.

C. The board shall:

1. Maintain an enterprise fund ~~in which shall be~~ CONSISTING OF retained fees, rentals and other charges received for the use of school facilities for nonschool events.

~~D. The board shall:~~

~~1.~~ 2. Provide from the ~~funds~~ MONIES appropriated for the schools all the necessary staff, services, supplies and equipment.

~~2.~~ 3. Prescribe the system of records and accounts for the schools.

~~3.~~ 4. Cause to be kept a record of all important papers.

~~4.~~ 5. Cause to be kept a set of books and accounts that show every transaction made, every appropriation by the legislature for the schools, the purchase, storage and consumption of supplies for subsistence, construction and other purposes, receipts from all sources and all expenditures made.

D. THE BOARD MAY:

1. SUBJECT TO REVIEW BY THE JOINT COMMITTEE ON CAPITAL REVIEW:

(a) ACQUIRE A PROJECT OR COMBINATION OF PROJECTS.

(b) SECURE INDIRECT OR THIRD-PARTY FINANCING TO ACQUIRE OR IMPROVE A PROJECT OR COMBINATION OF PROJECTS IF THE TERM OF THE INDIRECT OR THIRD-PARTY FINANCING DOES NOT EXCEED FORTY YEARS OR THE USEFUL LIFE OF THE CAPITAL IMPROVEMENT FOR WHICH INDIRECT OR THIRD-PARTY FINANCING IS SECURED, WHICHEVER OCCURS EARLIER. A PRIVATE ENTITY IS NOT REQUIRED TO DIVULGE PROPRIETARY INFORMATION TO THE JOINT COMMITTEE ON CAPITAL REVIEW FOR THE PURPOSES OF THE REVIEW REQUIRED BY THIS SUBDIVISION.

(c) BORROW MONIES TO ACQUIRE OR IMPROVE ANY PROJECT OR COMBINATION OF PROJECTS.

(d) ACQUIRE REAL PROPERTY, IMPROVEMENTS OR PERSONAL PROPERTY, INCLUDING AN INTEREST OR RIGHT IN REAL PROPERTY, IMPROVEMENTS OR PERSONAL PROPERTY, BY PURCHASE, CONTRACT, LEASE-PURCHASE, LEASE OR GIFT. ANY LEASE-PURCHASE AGREEMENT EXECUTED BY THE BOARD PURSUANT TO THIS PARAGRAPH FOR LAND ACQUISITION, A CAPITAL PROJECT, AN ENERGY SYSTEM OR AN ENERGY MANAGEMENT SYSTEM MUST INCLUDE THE FOLLOWING PROVISIONS:

(i) THE OBLIGATION OF THIS STATE TO MAKE ANY PAYMENT UNDER THE AGREEMENT IS A CURRENT EXPENSE OF THE BOARD AND IS NOT A GENERAL OBLIGATION INDEBTEDNESS OF THIS STATE OR THE BOARD.

(ii) IF THE LEGISLATURE FAILS TO APPROPRIATE MONIES OR THE BOARD FAILS TO ALLOCATE MONIES FOR ANY PERIODIC PAYMENT OR RENEWAL TERM OF THE AGREEMENT, THE AGREEMENT TERMINATES AT THE END OF THE CURRENT TERM AND THIS STATE AND THE BOARD ARE RELIEVED OF ANY SUBSEQUENT OBLIGATION UNDER THE AGREEMENT.

2. SELL, LEASE AS LESSOR OR OTHERWISE DISPOSE OF REAL PROPERTY, IMPROVEMENTS OR PERSONAL PROPERTY ACQUIRED PURSUANT TO PARAGRAPH 1, SUBDIVISION (d) OF THIS SUBSECTION.

3. ACCEPT A GRANT, SUBSIDY OR LOAN OF MONIES FROM ANY PERSON, INCLUDING FROM A FEDERAL AGENCY, ON SUCH TERMS AS MAY BE IMPOSED BY THE PERSON AND PLEDGE THE PROCEEDS PURSUANT TO AN AGREEMENT ENTERED INTO BY THE BOARD AND THE PERSON.

4. EXECUTE ANY INSTRUMENT OR PERFORM ANY ACT THAT IS NECESSARY OR CONVENIENT TO IMPLEMENT THIS CHAPTER.

5. OBTAIN ONE OR MORE LINES OF CREDIT FOR CASH MANAGEMENT OR LIQUIDITY PURPOSES.

E. THE CAPITAL IMPROVEMENT AND SCHOOL FACILITIES FUND IS ESTABLISHED CONSISTING OF PROCEEDS FROM THE SALE OF PROPERTY, GIFTS, GRANTS, DONATIONS, DEVISES AND MONIES FROM ANY OTHER LAWFUL SOURCE. ON NOTICE FROM THE BOARD, THE STATE TREASURER SHALL INVEST AND DIVEST MONIES IN THE FUND AS PROVIDED BY SECTION 35-313, AND MONIES EARNED FROM INVESTMENT SHALL BE CREDITED TO THE FUND. MONIES IN THE FUND ARE EXEMPT FROM THE PROVISIONS OF SECTION 35-190 RELATING TO LAPSING OF APPROPRIATIONS. THE BOARD SHALL ADMINISTER THE FUND AND DISTRIBUTE MONIES IN THE FUND TO MAKE PAYMENTS PURSUANT TO LEASE-PURCHASE AGREEMENTS ENTERED INTO BY THE BOARD PURSUANT TO SUBSECTION D OF THIS SECTION. IN ADDITION TO LEASE-PURCHASE AGREEMENT PAYMENTS, THE BOARD MAY USE MONIES IN THE FUND FOR CAPITAL IMPROVEMENTS, INCLUDING NEW CONSTRUCTION, MAINTENANCE, REPAIR, RENOVATIONS AND IMPROVEMENTS OF PROJECTS. IN ADDITION TO THE REQUIREMENTS PRESCRIBED BY SUBSECTION D OF THIS SECTION, LEASE-PURCHASE AGREEMENTS THAT THE BOARD ENTERS INTO PURSUANT TO THIS SECTION ARE SUBJECT TO THE FOLLOWING REQUIREMENTS:

1. THE TOTAL AMOUNT OF LEASE-PURCHASE AGREEMENTS ENTERED INTO BY THE BOARD PURSUANT TO THIS SECTION DOES NOT EXCEED $16,000,000.

2. THE TOTAL AMOUNT OF LEASE-PURCHASE AGREEMENTS ENTERED INTO BY THE BOARD IN FISCAL YEAR 2026-2027 DOES NOT EXCEED $8,000,000.

3. THE TOTAL AMOUNT OF LEASE-PURCHASE AGREEMENTS ENTERED INTO BY THE BOARD PURSUANT TO THIS SECTION IN FISCAL YEAR 2027-2028 DOES NOT EXCEED $8,000,000.

4. IN ENTERING INTO ANY LEASE-PURCHASE AGREEMENT PURSUANT TO THIS SECTION, THE BOARD DOES NOT OBLIGATE THIS STATE TO PROVIDE ANY ADDITIONAL MONIES ABOVE THE AMOUNTS AUTHORIZED IN THIS SUBSECTION.

5. IN ENTERING INTO ANY LEASE-PURCHASE AGREEMENT PURSUANT TO THIS SECTION, THE BOARD DOES NOT OBLIGATE ANY MONIES FROM THE STATE GENERAL FUND.

F. FOR THE PURPOSES OF THE REVIEW REQUIRED BY SUBSECTION D, PARAGRAPH 1 OF THIS SECTION, THE BOARD SHALL SUBMIT THE SCOPE, PURPOSE AND ESTIMATED COST OF EACH PROJECT OR ACQUISITION FOR REVIEW BY THE JOINT COMMITTEE ON CAPITAL REVIEW BEFORE TAKING ANY ACTION AUTHORIZED BY SUBSECTION D, PARAGRAPH 1 OF THIS SECTION. THE JOINT COMMITTEE ON CAPITAL

REVIEW SHALL HEAR AND REVIEW THE PROJECT OR ACQUISITION NOT LATER THAN THE COMMITTEE'S SECOND MEETING AFTER THE BOARD SUBMITS THE PROJECT OR ACQUISITION TO THE COMMITTEE FOR REVIEW. THE BOARD MAY TAKE AN ACTION AUTHORIZED BY SUBSECTION D, PARAGRAPH 1 OF THIS SECTION RELATING TO A PROJECT OR ACQUISITION THAT THE BOARD SUBMITTED FOR REVIEW PURSUANT TO THIS SUBSECTION IF THE COMMITTEE FAILS TO HEAR AND REVIEW THE PROJECT OR ACQUISITION WITHIN THE TIME PERIOD PRESCRIBED BY THIS SUBSECTION.

~~E.~~ G. Books and records of the schools ~~shall be~~ ARE open to public inspection, unless otherwise restricted by law.

H. FOR THE PURPOSES OF THIS SECTION:

1. "ACQUIRE" HAS THE SAME MEANING PRESCRIBED IN SECTION 15-1681.

2. "FEDERAL AGENCY" HAS THE SAME MEANING PRESCRIBED IN SECTION 15-1681.

3. "INDIRECT OR THIRD-PARTY FINANCING" HAS THE SAME MEANING PRESCRIBED IN SECTION 15-1681, EXCEPT THAT IT:

(a) INCLUDES AN AGREEMENT BETWEEN THE BOARD AND A FINANCIAL INSTITUTION.

(b) DOES NOT INCLUDE AN AGREEMENT IN WHICH A PARTY ISSUES BONDS FOR A CAPITAL PROJECT.

4. "PROJECT" HAS THE SAME MEANING PRESCRIBED IN SECTION 15-1681, EXCEPT THAT IT:

(a) IS FOR THE BENEFIT OF THE SCHOOLS, AS DETERMINED BY THE BOARD.

(b) INCLUDES ATHLETIC BUILDINGS.

(c) DOES NOT INCLUDE HOUSING FACILITIES FOR FACULTY OR STAFF, STADIUMS OR FACILITIES OR BUILDINGS THAT ARE LEASED TO A FEDERAL AGENCY.