

COMMITTEE ON WAYS & MEANS  
HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2515  
(Reference to printed bill)

Amendment instruction key:

[GREEN UNDERLINING IN BRACKETS] indicates text added to statute or previously enacted session law.

[Green underlining in brackets] indicates text added to new session law or text restoring existing law.

[~~GREEN STRIKEOUT IN BRACKETS~~] indicates new text removed from statute or previously enacted session law.

[~~Green strikeout in brackets~~] indicates text removed from existing statute, previously enacted session law or new session law.

<<Green carets>> indicate a section added to the bill.

<<~~Green strikeout in carets~~>> indicates a section removed from the bill.

1 The bill as proposed to be amended is reprinted as follows:

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.

1           B. The county school superintendent shall prepare an informational  
2 pamphlet on the proposed increase in the budget and a sample ballot and,  
3 at least forty days before the election, shall transmit the informational  
4 pamphlet and the sample ballot to the governing board of the school  
5 district. The governing board, on receipt of the informational pamphlet  
6 and the ballot, shall mail or distribute the informational pamphlet and  
7 the ballot to the households in which qualified electors reside within the  
8 school district at least thirty-five days before the election. Any  
9 distribution of material concerning the proposed increase in the budget  
10 shall not be conducted by children enrolled in the school district. The  
11 informational pamphlet shall contain the following information:

12           1. The date of the election.

13           2. The voter's polling place and the times it is open.

14           3. The proposed total increase in the budget that exceeds the  
15 amount allowed pursuant to section 15-905.

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

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

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

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

31           8. The dollar amount and the purpose for which the proposed  
32 increase in the budget is to be expended for the first year for which the  
33 budget increase was adopted. The purpose statement shall only present  
34 factual information in a neutral manner. Advocacy for the expenditures is  
35 strictly limited to the arguments submitted pursuant to paragraph 9 of  
36 this subsection.

37           9. At least two arguments, if submitted, but not more than ten  
38 arguments for and two arguments, if submitted, but not more than ten  
39 arguments against the proposed increase in the budget. The arguments  
40 shall be in a form prescribed by the county school superintendent, and  
41 each argument shall not exceed two hundred words. Arguments for the  
42 proposed increase in the budget shall be provided in writing and signed by  
43 the governing board. The ballot arguments for the proposed increase in  
44 the budget shall be signed as the governing board of the school district  
45 without listing any member's individual name for the arguments for the  
46 proposed increase. If submitted, additional arguments in favor of the  
47 proposed increase in the budget shall be provided in writing with a

1 signed, sworn statement by those in favor. Arguments against the proposed  
2 increase in the budget shall be provided in writing with a signed, sworn  
3 statement by those in opposition. If the argument is submitted by an  
4 organization, it shall contain the sworn statement of two executive  
5 officers of the organization. If the argument is submitted by a political  
6 committee, it shall contain the sworn statement of the committee's  
7 chairperson or treasurer. If the argument is submitted by an individual  
8 and not on behalf of an organization, a political committee or any other  
9 group, the ~~person~~ INDIVIDUAL shall submit the argument with a sworn,  
10 notarized statement. The names of persons and entities submitting written  
11 arguments shall be included in the informational pamphlet. Persons  
12 signing the argument shall identify themselves by giving their residence  
13 address and telephone number, which may not appear in the informational  
14 pamphlet, except that the person's city or town and state of residence  
15 shall appear in the pamphlet. Any argument that is submitted and that  
16 does not comply with this paragraph may not be included in the pamphlet.  
17 The county school superintendent shall review all factual statements  
18 contained in the written arguments and correct any inaccurate statements  
19 of fact. The superintendent shall not review and correct any portion of  
20 the written arguments that are identified as statements of the author's  
21 opinion. The county school superintendent shall make the written  
22 arguments available to the public as provided in title 39, chapter 1,  
23 article 2. A deadline for submitting arguments to be included in the  
24 informational pamphlet shall be set by the county school superintendent.

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

28 11. The current limited property value and the net assessed  
29 valuation provided by the department of revenue, the first year tax rate  
30 for the proposed override and the estimated amount of the secondary  
31 property taxes if the proposed budget is adopted for each of the  
32 following:

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

37 (b) An owner-occupied residence whose assessed valuation is  
38 one-half of the assessed valuation of the residence in subdivision (a) of  
39 this paragraph.

40 (c) An owner-occupied residence whose assessed valuation is twice  
41 the assessed valuation of the residence in subdivision (a) of this  
42 paragraph.

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

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

3        (a) An executive summary of the school district's most recent  
4 capital improvement plan submitted to the school facilities oversight  
5 board.

6        (b) A complete list of each proposed capital improvement that will  
7 be funded with the budget increase and a description of the proposed cost  
8 of each improvement, including a separate aggregation of capital  
9 improvements for administrative purposes as defined by the school  
10 facilities oversight board.

11        (c) The tax rate associated with each of the proposed capital  
12 improvements and the estimated cost of each capital improvement for the  
13 owner of a single family home that is valued at ~~\$80,000~~ [\$100,000 AND]  
14 \$400,000.

15        C. For the purpose of this section, the school district may use its  
16 staff, equipment, materials, buildings or other resources only to  
17 distribute the informational pamphlet at the school district office or at  
18 public hearings and to produce such information as required in subsection  
19 B of this section. This subsection does not preclude school districts  
20 from holding or participating in any public hearings at which testimony is  
21 given by at least one person for the proposed increase and one person  
22 against the proposed increase. Any written information provided by the  
23 district pertaining to the override election shall include financial  
24 information showing the estimated first year tax rate for the proposed  
25 budget override amount.

26        D. If any amount of the proposed increase will be funded by a levy  
27 of taxes in the district, the election prescribed in subsection A of this  
28 section shall be held on the first Tuesday following the first Monday in  
29 November as prescribed by section 16-204, subsection F. If the proposed  
30 increase will be fully funded by revenues from other than a levy of taxes,  
31 the elections prescribed in subsection A of this section shall be held on  
32 any date prescribed by section 16-204. The elections shall be conducted  
33 as nearly as practicable in the manner prescribed in article 1 of this  
34 chapter, sections 15-422, ~~through 15-423~~, 15-424 and ~~section~~ 15-426,  
35 relating to special elections, except that:

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

38        2. Ballots shall be counted pursuant to title 16, chapter 4,  
39 article 10.

40        E. If the election is to exceed the revenue control limit and if  
41 the proposed increase will be fully funded by a levy of taxes on the  
42 taxable property within the school district, the ballot shall contain the  
43 words "budget increase, yes" and "budget increase, no", and the voter  
44 shall signify the voter's desired choice. The ballot shall also contain  
45 the amount of the proposed increase of the proposed budget over the  
46 alternate budget, a statement that the amount of the proposed increase  
47 will be based on a percentage of the school district's revenue control

1 limit in future years, if applicable, as provided in subsection P of this  
2 section and the following statement:

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

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

23           1. The amount of the proposed increase of the proposed budget over  
24           the alternate budget.

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

28           3. The following statement:

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

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

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

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

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

(i)

Student Count	Small School Student Count Limit	Support Level Weight for Small Isolated School Districts	Phase Down Reduction Factor
<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<u>          </u> - <u>125</u>	x	$1.358 + (0.0005 \times (500 - \text{Student Count}))$	x <u>\$          </u> = <u>\$          </u>
	Phase Down Base	Phase Down Reduction Factor	Small Isolated School District Elementary Limit
	<u>\$150,000</u>	- <u>\$          </u>	= <u>\$          </u>

(ii)

Student Count	Small School Student Count Limit	Support Level Weight for Small School Districts	Phase Down Reduction Factor
<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<u>          </u> - <u>125</u>	x	$1.278 + (0.0003 \times (500 - \text{Student Count}))$	x <u>\$          </u> = <u>\$          </u>
	Phase Down Base	Phase Down Reduction Factor	Small School District Elementary Limit
	<u>\$150,000</u>	- <u>\$          </u>	= <u>\$          </u>

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

(i)

Student Count	Small School Student Count Limit	Support Level Weight for Small Isolated School Districts	Phase Down Reduction Factor
<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<u>          </u> - <u>100</u>	x	$1.468 + (0.0005 \times (500 - \text{Student Count}))$	x <u>\$          </u> = <u>\$          </u>
	Phase Down Base	Phase Down Reduction Factor	Small Isolated District Secondary Limit
	<u>\$350,000</u>	- <u>\$          </u>	= <u>\$          </u>

(ii)

1		Small School	Support Level Weight		Phase Down
2	Student	Student	for Small		Reduction
3	<u>Count</u>	<u>Count Limit</u>	<u>School Districts</u>	<u>Base Level</u>	<u>Factor</u>
4	_____	- 100	x 1.398 + (0.0004 x	x \$ _____	= \$ _____
5			(500 - Student Count))		
6				Small	
7		Phase Down	Phase Down	School District	
8		<u>Base</u>	<u>Reduction Factor</u>	<u>Secondary Limit</u>	
9		\$350,000	- \$ _____	= \$ _____	

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

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

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

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

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

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

46 Any budget increase authorized by this election shall be  
 47 entirely funded by a levy of taxes on the taxable property

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

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

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

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



1 control limit attributable to the weighted student count in grades nine  
2 through twelve.

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

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

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

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

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

1       O. 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.

46       Q. If the voters in a school district vote to adopt a budget in  
47 excess of the revenue control limit as provided in subsection I or J of

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

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

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

35 R. If the voters in a school district vote to adopt a budget in  
36 excess of district additional assistance as provided in subsection L of  
37 this section, any additional increase shall be included in the aggregate  
38 budget limit for each of the years authorized. The additional increase  
39 shall be excluded from the determination of equalization assistance. The  
40 school district governing board, however, may levy on the net assessed  
41 valuation used for secondary property tax purposes of the property in the  
42 school district the additional increase for the period authorized but not  
43 to exceed ten years. For overrides approved by a vote of the qualified  
44 electors of the school district at an election held from and after  
45 October 31, 1998, the period of the additional increase prescribed in this  
46 subsection shall not exceed seven years for any capital override election.

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

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

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

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

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

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

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

38               \_\_\_\_\_ school district is proposing to increase its  
39               budget by \$\_\_\_\_\_ to fund capital improvements over and  
40               above those funded by the state. Under the students first  
41               capital funding system, \_\_\_\_\_ school district is entitled  
42               to state monies for new construction and renovation of school  
43               buildings in accordance with state law.

44       2. The ballot shall contain the words "budget increase, yes" and  
45 "budget increase, no", and the voter shall signify the voter's desired  
46 choice.

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

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

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

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

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

37           Z. If a budget in excess of district additional assistance was  
38 previously adopted by the voters in a school district and will be in  
39 effect for the budget year or budget year and subsequent years, as  
40 provided in subsection L or M of this section, the governing board may  
41 request an additional budget in excess of district additional assistance.  
42 If the voters in a school district authorize the additional budget in  
43 excess of district additional assistance, the existing district additional  
44 assistance budget increase remains in effect.

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

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

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

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

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

1       \$\_\_\_\_\_ per \$100 of net assessed valuation used for  
2       secondary property tax purposes and is in addition to the  
3       school district's tax rate that will be levied to fund the  
4       school district's revenue control limit allowed by law.

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

7       15-491. Elections on school property: exceptions

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

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

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

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

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

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

43       6. To extend from six to ten years the time period to issue class B  
44 bonds authorized in 2009 or earlier. Elections pursuant to this paragraph  
45 may not be held later than the sixth November after the election approving  
46 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 of  
7 the school district shall be issued and sold for the purposes enumerated  
8 in the call for the election, the question shall be submitted to the vote  
9 of the qualified electors of the school district as defined in section  
10 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:

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

45 \_\_\_\_\_ school district is proposing to issue class B  
46 general obligation bonds totaling \$\_\_\_\_\_ to fund capital  
47 improvements over and above those funded by the state. Under



1 the students first capital funding system, \_\_\_\_\_ school  
2 district is entitled to state monies for new construction and  
3 renovation of school buildings in accordance with state law.

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

6 \_\_\_\_\_, a career technical education district, is  
7 proposing to issue class B general obligation bonds totaling  
8 \$\_\_\_\_\_ to fund capital improvements at a campus owned or  
9 operated and maintained by the career technical education  
10 district.

11 3. The ballot shall conform to the requirements of title 35,  
12 chapter 3, article 3.

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

25 5. Not later than thirty-five days before a class B bond election  
26 conducted pursuant to this section, the school district shall mail an  
27 informational pamphlet prepared by the county school superintendent to  
28 each household that contains a qualified elector in the school  
29 district. The informational pamphlet shall contain, at a minimum, the  
30 following information:

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

33 (b) A complete list of each proposed capital improvement that will  
34 be funded with the proceeds of the bonds and a description of the proposed  
35 cost of each improvement, including a separate aggregation of capital  
36 improvements for administrative purposes as defined by the school  
37 facilities oversight board.

38 (c) The tax rate associated with each of the proposed capital  
39 improvements and the estimated cost of each capital improvement for the  
40 owner of a single family home that is valued at ~~[\$100,000]~~ ~~[AND]~~ \$400,000.

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

43 1. The ballot shall include the following statement:

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

1           \_\_\_\_\_ school district is proposing to issue impact  
2           aid revenue bonds totaling \$\_\_\_\_\_ to fund capital  
3           improvements over and above those funded by the state. Under  
4           the students first capital funding system, \_\_\_\_\_ school  
5           district is entitled to state monies for new construction and  
6           renovation of school buildings in accordance with state law.

7           2. The ballot shall contain the words "bond approval, yes" and  
8           "bond approval, no", and the voter shall signify the voter's desired  
9           choice.

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

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

26                 (a) The date of the election.

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

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

30                 (d) A complete list of each proposed capital improvement that will  
31         be funded with the proceeds of the bonds and a description of the proposed  
32         cost of each improvement, including a separate aggregation of capital  
33         improvements for administrative purposes as defined by the school  
34         facilities oversight board.

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

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

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

46                 J. If the voters approve the issuance of school district class B  
47         bonds or impact aid revenue bonds, the school district shall not use the

1 bond proceeds for any purposes other than the proposed capital  
2 improvements listed in the informational pamphlet, except that up to ten  
3 percent of the bond proceeds may be used for general capital expenses,  
4 including cost overruns of proposed capital improvements. The proposed  
5 capital improvements may be changed by a subsequent election as provided  
6 by this section.

7 K. Each school district that issues bonds under this section shall  
8 hold a public meeting each year between September 1 and October 31, until  
9 the bond proceeds are spent, at which an update of the progress of capital  
10 improvements financed through bonding is discussed and at which the public  
11 is allowed an opportunity to comment. At a minimum, the update shall  
12 include a comparison of the current status and the original projections on  
13 the construction of capital improvements, the costs of capital  
14 improvements and the costs of capital improvements in progress or  
15 completed since the prior meeting and the future capital bonding plans of  
16 the school district. The school district shall include in the public  
17 meeting a discussion of the school district's use of state capital aid and  
18 voter-approved capital overrides in funding capital improvements, if any.

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

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

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

30 (a) The date of the election.

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

32 (c) A statement as to why the election was called.

33 (d) A complete list of each proposed capital improvement that is in  
34 addition to the initial capital improvements presented in the  
35 informational pamphlet when the bonds were approved and the proposed cost  
36 of each improvement, including a separate aggregation of capital  
37 improvements for administrative purposes as defined by the school  
38 facilities oversight board.

39 (e) A complete list of each capital improvement that was presented  
40 in the informational pamphlet when the bonds were initially approved and  
41 that is proposed to be eliminated or to have its cost reduced, and the  
42 proposed cost of each improvement, including a separate aggregation of  
43 capital improvements for administrative purposes as defined by the school  
44 facilities oversight board.

45 (f) Arguments for and against the proposed change, if submitted, as  
46 provided by section 15-481, subsection B, paragraph 9. The ballot  
47 arguments for the proposed change shall be signed as the governing board

1 of the school district without listing any member's individual name for  
2 the arguments for the proposed change.

3       3. The ballot shall contain the words "change capital improvements,  
4 yes" and "change capital improvements, no", and the voter shall signify  
5 the voter's desired choice.

6       4. If the election is to add a purpose that was not on the initial  
7 ballot, the ballot shall list the purpose that is proposed to be added.

8       M. If an election is held to extend the time to issue bonds  
9 pursuant to subsection A, paragraph 6 of this section, the following  
10 requirements apply:

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

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

18       (a) The date of the election.

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

20       (c) A statement as to why the election was called.

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

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

29       Sec. 3. Section 15-905.01, Arizona Revised Statutes, is amended to  
30 read:

31       15-905.01. Truth in taxation; calculation; notice and  
32       hearing; vote on tax increase

33       A. Each school district shall determine its truth in taxation base  
34 limit for expenditures as follows:

35       1. Determine the amounts budgeted in fiscal year 1999-2000 for  
36 expenditures in the following categories:

37       (a) Desegregation pursuant to section 15-910.

38       (b) Dropout prevention programs.

39       (c) Career and technical education and vocational education center  
40 operations pursuant to section 15-910.01.

41       (d) Small school adjustments pursuant to section 15-949.

42       2. The sum of the expenditures in paragraph 1 of this subsection  
43 for fiscal year 1999-2000 shall become the truth in taxation base limit.

44       3. For any year after fiscal year 1999-2000, a school district  
45 whose aggregate budgeted expenditures for the expenditures prescribed in  
46 paragraph 1 of this subsection exceed the truth in taxation base limit  
47 shall publish a truth in taxation hearing notice that meets the

1 requirements of subsection B of this section. If the amount exceeding the  
2 previous truth in taxation base limit is approved by the school district  
3 governing board following the hearing prescribed in subsection B of this  
4 section, the excess amount plus the previous truth in taxation base limit  
5 becomes the school district's new truth in taxation base limit.

6 4. If a school district no longer qualifies for one or more of the  
7 expenditures prescribed in paragraph 1 of this subsection, the amount  
8 budgeted for the most recent fiscal year in which the school district was  
9 eligible for that expenditure shall be deducted from the school district's  
10 truth in taxation base limit.

11 B. For any fiscal year in which a school district governing board  
12 budgets an amount that is higher than the truth in taxation base limit  
13 calculated pursuant to subsection A of this section, any fiscal year in  
14 which a school district levies any amount for adjacent ways pursuant to  
15 section 15-995 or any fiscal year in which the school district levies any  
16 amount for liabilities in excess of the school district budget pursuant to  
17 section 15-907:

18 1. The school district shall publish a notice that meets the  
19 following requirements:

20 (a) The notice shall be published once in a newspaper of general  
21 circulation in the school district. The publication shall be at least ten  
22 but not more than twenty days before the date of the hearing.

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

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

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

32 Truth in Taxation Hearing

33 Notice of Tax Increase

34 In compliance with section 15-905.01, Arizona Revised  
35 Statutes, \_\_\_\_\_ school district is notifying its property  
36 taxpayers of \_\_\_\_\_ school district's intention to raise  
37 its primary property taxes over the current level to pay for  
38 increased expenditures in those areas where the governing  
39 board has the authority to increase property taxes for the  
40 fiscal year beginning July 1, \_\_\_\_\_. The \_\_\_\_\_ school  
41 district is proposing an increase in its primary property tax  
42 levy of \$\_\_\_\_\_ (amount of levy increase to pay for truth  
43 in taxation base increase, the amount of the total levy for  
44 the adjacent ways fund and amounts for liabilities in excess  
45 of the school district budget pursuant to section 15-907).

46 The amount proposed above will cause \_\_\_\_\_ school  
47 district's primary property taxes on a [\$100,000] [AND]

1       \$400,000 home to be \$\_\_\_\_\_ [AND \$\_\_\_\_\_.  
2       RESPECTIVELY](the amount used to pay for the budget year's  
3       proposed truth in taxation base limit and adjacent ways levy,  
4       including adjacent ways and liabilities in excess of the  
5       school district budget [the amount divided by the current net  
6       assessed value available February 10 pursuant to section  
7       42-17052] applied to [\$100,000] [AND] \$400,000). Without the  
8       tax increase, the total taxes that would be owed would have  
9       been \$\_\_\_\_\_ [AND \$\_\_\_\_\_, RESPECTIVELY] (the amount used  
10      to pay for the current year's truth in taxation base limit  
11      [the amount divided by the current net assessed value  
12      available February 10 pursuant to section 42-17052] applied to  
13      [\$100,000] [AND] \$400,000).

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

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

22      2. In lieu of publishing the truth in taxation notice, the  
23      governing board may mail the truth in taxation notice prescribed by  
24      paragraph 1, subdivision (d) of this subsection to all registered voters  
25      in the district at least ten but not more than twenty days before the date  
26      of the hearing.

27      3. In addition to publishing the truth in taxation notice under  
28      paragraph 1 of this subsection or mailing the notice under paragraph 2 of  
29      this subsection, the governing board shall issue a press release  
30      containing the truth in taxation notice to all newspapers of general  
31      circulation in the school district.

32      4. The governing board shall consider a motion to levy the  
33      increased property taxes by roll call vote.

34      5. Within three days after the hearing, the governing board shall  
35      mail a copy of the truth in taxation notice, a statement of its  
36      publication or mailing and the result of the governing board's vote under  
37      paragraph 4 of this subsection to the property tax oversight commission  
38      established by section 42-17002.

39      6. The governing board shall hold the truth in taxation hearing on  
40      or before the adoption of the school district budget under section 15-905.

41      7. Expenditures for adjacent ways and liabilities in excess of the  
42      school district budget do not become part of the school district's truth  
43      in taxation base limit.

44      C. The department of education shall maintain a listing of each  
45      school district's truth in taxation base limit and shall verify the  
46      accuracy of the school district's computations. A school district

1 governing board shall notify the department of education of any change in  
2 the district's truth in taxation base limit.

3 D. The department of education shall develop a budget form for  
4 school districts to show the primary tax rate associated for each of the  
5 expenditure categories mentioned in subsection A, paragraph 1 of this  
6 section and for expenditures for adjacent ways pursuant to section 15-995  
7 or any other expenditure in excess of the school district budget pursuant  
8 to section 15-907. A school district shall make this information  
9 available to the general public at truth in taxation hearings and shall  
10 submit the information to the department of education.

11 Sec. 4. Section 15-1461.01, Arizona Revised Statutes, is amended to  
12 read:

13 15-1461.01. Truth in taxation notice and hearing; roll call  
14 vote on tax increase; definition

15 A. On or before February 10 of the tax year, the county assessor  
16 shall transmit and certify to the property tax oversight commission and to  
17 the district governing board the total net assessed values that are  
18 required to compute the levy limit prescribed by section 42-17051. If the  
19 proposed primary property tax levy, excluding amounts that are  
20 attributable to new construction, is greater than the amount levied in the  
21 preceding tax year by the district:

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

24 (a) Is published twice in a newspaper of general circulation in the  
25 district. The first publication shall be at least fourteen but not more  
26 than twenty days before the date of the hearing. The second publication  
27 shall be at least seven but not more than ten days before the date of the  
28 hearing.

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

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

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

35 Truth in Taxation Hearing

36 Notice of Tax Increase

37 In compliance with section 15-1461.01, Arizona Revised  
38 Statutes, (name of community college district) is notifying  
39 its property taxpayers of (name of community college  
40 district's) intention to raise its primary property taxes over  
41 last year's level. The (name of community college district)  
42 is proposing an increase in primary property taxes of  
43 \$\_\_\_\_\_ or \_\_\_\_%.

44 For example, the proposed tax increase will cause (name  
45 of community college district's) primary property taxes on a  
46 [\$100,000] [AND] \$400,000 home to be \$(total proposed taxes  
47 including the tax increase) [AND \$(TOTAL PROPOSED TAXES

1 INCLUDING THE TAX INCREASE), RESPECTIVELY]. Without the  
2 proposed tax increase, the total taxes that would be owed on a  
3 [\$100,000] [AND] \$400,000 home would have been \$\_\_\_\_\_ [AND  
4 \$\_\_\_\_\_, RESPECTIVELY].

5 This proposed increase is exclusive of increased primary  
6 property taxes received from new construction. The increase  
7 is also exclusive of any changes that may occur from property  
8 tax levies for voter approved bonded indebtedness or budget  
9 and tax overrides.

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

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

15 2. In lieu of publishing the truth in taxation notice, the district  
16 board may mail the truth in taxation notice prescribed by paragraph 1,  
17 subdivision (d) of this subsection to all registered voters in the  
18 district at least ten but not more than twenty days before the date of the  
19 hearing.

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

25 (a) Include the name of the newspaper of general circulation in  
26 which the truth in taxation notice will be published and the dates on  
27 which the truth in taxation notice will be published.

28 (b) Be posted on the official website of the community college  
29 district.

30 4. The district board shall consider a motion to levy the increased  
31 property taxes by roll call vote. If the proposed levy, exclusive of  
32 increased property taxes received from new construction, constitutes an  
33 increase over the preceding tax year's levy by fifteen percent or more,  
34 the motion to levy the increased property taxes must be approved by a  
35 unanimous roll call vote of the district board.

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

41 6. The district board shall hold the truth in taxation hearing on  
42 or before the adoption of the county, city or town budget under section  
43 42-17105.

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



1 C. For the purposes of this section, "amount attributable to new  
2 construction" means the net assessed valuation of property added to the  
3 tax roll since the previous year multiplied by a property tax rate  
4 computed by dividing the district's primary property tax levy in the  
5 preceding year by the estimate of the district's total net assessed  
6 valuation for the current year, excluding the net assessed valuation  
7 attributable to new construction.

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

10 35-454. Informational pamphlet for bond election; review;  
11 ballot; election; return; canvass of votes;  
12 certificate of election

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

14 1. At least thirty-five days before the bond election, mail a copy  
15 of an informational pamphlet to every household within the political  
16 subdivision that contains a registered voter. The pamphlet shall contain  
17 information on the:

18 (a) Amount of the bond authorization.

19 (b) Maximum interest rate of the bonds.

20 (c) Estimated debt retirement schedule for the current amount of  
21 bonds outstanding, showing both principal and interest payments, the  
22 current net assessed valuation as reported by the department of revenue  
23 and the current adopted and estimated tax rates. For the purposes of this  
24 paragraph, "net assessed valuation" may include the values used to  
25 determine voluntary contributions collected pursuant to title 9, chapter  
26 4, article 3 and title 48, chapter 1, article 8.

27 (d) Estimated debt retirement schedule for the proposed bond  
28 authorization, showing both the estimated principal and interest payments  
29 and the estimated average annual tax rate for the proposed bond  
30 authorization. In preparing this information and the information  
31 prescribed by subdivision (c) of this paragraph, the projected total  
32 annual increase in net assessed valuation for any future year shall not  
33 exceed:

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

37 (ii) For the remaining years of the estimated debt retirement  
38 schedule, twenty percent of the average of the annual percentage growth  
39 for the previous ten years in the net assessed valuation of the political  
40 subdivision.

41 (e) Source of repayment.

42 (f) Estimated issuance costs.

43 (g) Estimated tax impact of debt service for the bonds on an  
44 owner-occupied residence classified as class three pursuant to section  
45 42-12003, on commercial property classified as class one pursuant to  
46 section 42-12001, paragraph 12 and on agricultural or other vacant  
47 property classified as class two pursuant to section 42-12002, assuming

1 the net assessed valuation of the property increases annually at the  
2 lesser of five percent or fifty percent of the projected total annual  
3 increase in net assessed valuation as determined pursuant to subdivision  
4 (d) of this paragraph over the term of the bonds using the same average  
5 annual tax rate as under subdivision (d) of this paragraph, as follows:

6       The tax impact over the term of the bonds on an  
7 owner-occupied residence valued by the county assessor at  
8 [\$250,000] [AND] \$400,000 is estimated to be \$\_\_\_\_ per year for  
9 \_\_\_\_ years, or \$\_\_\_\_ total cost [AND \$\_\_\_\_ PER YEAR FOR \_\_\_\_ YEARS,  
10 OR \$\_\_\_\_ TOTAL COST, RESPECTIVELY].

11       The tax impact over the term of the bonds on commercial  
12 property valued by the county assessor at [\$1,000,000]  
13 [\$1,500,000] [AND \$2,000,000] is estimated to be \$\_\_\_\_ per  
14 year for \_\_\_\_ years, or \$\_\_\_\_ total cost [AND \$\_\_\_\_ PER YEAR  
15 FOR \_\_\_\_ YEARS, OR \$\_\_\_\_ TOTAL COST, RESPECTIVELY].

16       The tax impact over the term of the bonds on  
17 agricultural or other vacant property valued by the county  
18 assessor at \$100,000 is estimated to be \$\_\_\_\_ per year for \_\_\_\_  
19 years, or \$\_\_\_\_ total cost.

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

22       (i) Current outstanding general obligation debt and constitutional  
23 debt limitation.

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

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

32       (l) Polling location for the addressee.

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

34       (n) Arguments for and against the authorization of one or more of  
35 the bond propositions. Each argument filed shall contain the sworn  
36 statement of the person submitting it. If the argument is submitted by an  
37 organization, it shall contain the sworn statement of two executive  
38 officers of the organization. If the argument is submitted by a political  
39 committee, it shall contain the sworn statement of the committee's  
40 chairperson or treasurer. If the argument is submitted by an individual  
41 and not on behalf of an organization, a political committee or any other  
42 group, the person shall submit the argument with a sworn, notarized  
43 statement. The names of persons and entities submitting written arguments  
44 shall be included in the informational pamphlet. Persons signing the  
45 argument shall identify themselves by giving their residence address and  
46 telephone number, which may not appear in the informational pamphlet,  
47 except that the person's city or town and state of residence shall appear

1 in the pamphlet. Any argument that is submitted and that does not comply  
2 with this subdivision may not be included in the pamphlet.

3       2. Set a deadline to submit arguments for and against the  
4 authorization of one or more of the bond propositions at a public meeting  
5 and publish the deadline in a newspaper of general circulation in the  
6 jurisdiction of the political subdivision.

7       B. The failure of any one or more electors to receive the  
8 informational pamphlet shall not be grounds to invalidate the election.  
9 The election shall conform with the general election laws of this state.  
10 The return of the election held in a county shall be made to the board of  
11 supervisors and, in any other case, to the governing body or board of the  
12 municipal corporation or district within twelve days after the election.

13       C. For any proposed general obligation bond authorization for which  
14 the principal and interest will be paid by a levy of property taxes, the  
15 ballot shall contain the phrase **IN BOLDFACE TYPE** "the issuance of these  
16 bonds will result in a property tax increase sufficient to pay the annual  
17 debt service on bonds. **PRINCIPAL OF AND INTEREST ON THE BONDS WILL BE**  
18 **PAYABLE FROM A CONTINUING, DIRECT, ANNUAL, AD VALOREM TAX LEVIED AGAINST**  
19 **ALL TAXABLE PROPERTY LOCATED WITHIN THE BOUNDARIES OF THE (NAME OF**  
20 **DISTRICT OR JURISDICTION).** **THE BONDS WILL BE PAYABLE FROM THE TAX WITHOUT**  
21 **LIMIT AS TO RATE OR AMOUNT".** Any written information provided by the  
22 political subdivision pertaining to the bond election shall include  
23 financial information showing the estimated average tax rate for the  
24 proposed bond authorization. If the bonds are to be repaid with secondary  
25 property taxes, the ballot shall contain the words "bond approval, yes"  
26 and "bond approval, no", and the voter shall signify the voter's desired  
27 choice. The ballot shall also contain the following statement:

28           A "yes" vote shall authorize the \_\_\_\_\_ governing body  
29 to issue and sell \$\_\_\_\_\_ of \_\_\_\_\_ bonds of the district to  
30 be repaid with secondary property taxes.

31           A "no" vote shall not authorize the \_\_\_\_\_ governing  
32 body to issue and sell such bonds of the district.

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

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

43       F. The governing board or body shall file and record in the office  
44 of the county recorder a certificate disclosing the purpose of the  
45 election, the total number of votes cast and the total number of votes for  
46 and against creating the indebtedness, and stating whether or not the

1 indebtedness is ordered. On filing and recording the certificate, the  
2 governing board or body shall carry out the purpose of the election.

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

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

9 41-1276. Truth in taxation levy for equalization assistance  
10 to school districts

11 A. On or before February 15 of each year, the joint legislative  
12 budget committee shall compute and transmit the truth in taxation rates  
13 for equalization assistance for school districts for the following fiscal  
14 year to:

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

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

19 B. The truth in taxation rates consist of the qualifying tax rate  
20 for a high school district or a common school district within a high  
21 school district that does not offer instruction in high school subjects  
22 pursuant to section 15-971, subsection B, paragraph 1 and a qualifying tax  
23 rate for a unified district, a common school district not within a high  
24 school district or a common school district within a high school district  
25 that offers instruction in high school subjects pursuant to section  
26 15-971, subsection B, paragraph 2 that will offset the change in net  
27 assessed valuation of property that was subject to tax in the prior year.

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

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

32 2. Determine the statewide net assessed value for the current tax  
33 year, excluding the net assessed value of property that was not subject to  
34 tax in the preceding year.

35 3. Divide the amount determined in paragraph 1 of this subsection  
36 by the amount determined in paragraph 2 of this subsection.

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

40 D. Except as provided in subsections E and G of this section, the  
41 qualifying tax rate for a high school district or a common school district  
42 within a high school district that does not offer instruction in high  
43 school subjects and the qualifying tax rate for a unified school district,  
44 a common school district not within a high school district or a common  
45 school district within a high school district that offers instruction in  
46 high school subjects for the following fiscal year shall be the rate  
47 determined by the joint legislative budget committee pursuant to

1 subsection C of this section. The committee shall transmit the rates to  
2 the superintendent of public instruction and the county boards of  
3 supervisors by March 15 of each year.

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

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

10 (a) The notice shall be published twice in a newspaper of general  
11 circulation in this state that is published at the state capital. The  
12 first publication shall be at least fourteen but not more than twenty days  
13 before the date of the hearing. The second publication shall be at least  
14 seven but not more than ten days before the date of the hearing.

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

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

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

22 Truth in Taxation Hearing

23 Notice of Tax Increase

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

28 The proposed tax increase will cause the taxes on a  
29 [\$100,000] [AND] \$400,000 home to be \$(total proposed taxes  
30 including the tax increase) [\$(TOTAL PROPOSED TAXES INCLUDING  
31 THE TAX INCREASE), RESPECTIVELY]. Without the proposed tax  
32 increase, the total taxes that would be owed on a [\$100,000]  
33 [AND] \$400,000 home would have been \$\_\_\_\_\_ [AND \$\_\_\_\_\_.  
34 RESPECTIVELY].

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

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

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

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

6 G. Notwithstanding any other law, the legislature shall not adopt a  
7 state budget that provides for qualifying tax rates pursuant to section  
8 15-971 that exceed the truth in taxation rates computed pursuant to  
9 subsection A of this section unless the rates are adopted by a concurrent  
10 resolution approved by an affirmative roll call vote of two-thirds of the  
11 members of each house of the legislature before the legislature enacts the  
12 general appropriations bill. If the resolution is not approved by  
13 two-thirds of the members of each house of the legislature, the rates for  
14 the following fiscal year shall be the truth in taxation rates determined  
15 pursuant to subsection C of this section and shall be transmitted to the  
16 superintendent of public instruction and the county boards of supervisors.

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

23 I. Pursuant to subsection C of this section, the qualifying tax  
24 rate in tax year 2024 for a high school district or a common school  
25 district within a high school district that does not offer instruction in  
26 high school subjects as provided in section 15-447 is \$1.5930 and for a  
27 unified school district, a common school district not within a high school  
28 district or a common school district within a high school district that  
29 offers instruction in high school subjects as provided in section 15-447  
30 is \$3.1860.

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

33 42-17107. Truth in taxation notice and hearing; roll call  
34 vote on tax increase; definition

35 A. On or before February 10 of the tax year, the county assessor  
36 shall transmit and certify to the property tax oversight commission and to  
37 the governing body of the county, city or town the total net assessed  
38 values that are required to compute the levy limit prescribed by section  
39 42-17051. If the proposed primary property tax levy, excluding amounts  
40 that are attributable to new construction, is greater than the amount  
41 levied by the county, city or town in the preceding tax year in the  
42 county, city or town:

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

45 (a) Is published twice in a newspaper of general circulation in the  
46 county, city or town. The first publication shall be at least fourteen  
47 but not more than twenty days before the date of the hearing. The second

1 publication shall be at least seven but not more than ten days before the  
2 date of the hearing.

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

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

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

9 Truth in Taxation Hearing

10 Notice of Tax Increase

11 In compliance with section 42-17107, Arizona Revised  
12 Statutes, (name of county, city or town) is notifying its  
13 property taxpayers of (name of county, city or town)'s  
14 intention to raise its primary property taxes over last year's  
15 level. (name of county, city or town) is proposing an  
16 increase in primary property taxes of \$\_\_\_\_\_ or \_\_\_\_%.

17 For example, the proposed tax increase will cause (name  
18 of county, city or town)'s primary property taxes on a  
19 [\$100,000] [AND] \$400,000 home to be \$(total proposed taxes  
20 including the tax increase) [AND \$(TOTAL PROPOSED TAXES  
21 INCLUDING THE TAX INCREASE), RESPECTIVELY]. Without the  
22 proposed tax increase, the total taxes that would be owed on a  
23 [\$100,000] [AND] \$400,000 home would have been \$\_\_\_\_\_ [AND  
24 \$\_\_\_\_\_, RESPECTIVELY].

25 This proposed increase is exclusive of increased primary  
26 property taxes received from new construction. The increase  
27 is also exclusive of any changes that may occur from property  
28 tax levies for voter approved bonded indebtedness or budget  
29 and tax overrides.

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

33 (e) Is included in the estimates of revenues and expenses pursuant  
34 to section 42-17103 and in the budget finally adopted pursuant to section  
35 42-17105.

36 2. In lieu of publishing the truth in taxation notice, the  
37 governing body may mail the truth in taxation notice prescribed by  
38 paragraph 1, subdivision (d) of this subsection to all registered voters  
39 in the county, city or town at least ten but not more than twenty days  
40 before the date of the hearing on the estimates pursuant to section  
41 42-17104.

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



1 (a) Include the name of the newspaper of general circulation in  
2 which the truth in taxation notice will be published and the dates on  
3 which the truth in taxation notice will be published.

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

5 4. The governing body shall consider a motion to levy the increased  
6 property taxes by roll call vote. If the proposed levy, exclusive of  
7 increased property taxes received from new construction, constitutes an  
8 increase over the preceding tax year's levy by fifteen percent or more,  
9 the motion to levy the increased property taxes must be approved by a  
10 unanimous roll call vote of the governing body.

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

15 6. The governing body shall hold the truth in taxation hearing on  
16 or before the adoption of the county, city or town budget under section  
17 42-17105.

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

22 C. For the purposes of this section, "amount attributable to new  
23 construction" means the net assessed valuation of property added to the  
24 tax roll since the previous year multiplied by a property tax rate  
25 computed by dividing the primary property tax levy of the county, city or  
26 town in the preceding year by the estimate of the total net assessed  
27 valuation of the county, city or town for the current year, excluding the  
28 net assessed valuation attributable to new construction.

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

31 48-254. Truth in taxation notice and hearing; roll call vote  
32 on tax increase; definition

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

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

45 (a) Is published twice in a newspaper of general circulation in the  
46 county. The first publication shall be at least fourteen but not more  
47 than twenty days before the date of the hearing. The second publication



1 shall be at least seven but not more than ten days before the date of the  
2 hearing.

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

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

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

9 Truth in Taxation Hearing

10 Notice of Tax Increase

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

18 For example, the proposed tax increase will cause (name  
19 of special taxing district)'s secondary property 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 This proposed increase is exclusive of increased  
27 secondary property taxes received from new construction. The  
28 increase is also exclusive of any changes that may occur from  
29 property tax levies for voter-approved bonded indebtedness.

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

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

35 2. Instead of publishing the truth in taxation notice, the  
36 governing body may mail the truth in taxation notice prescribed by  
37 paragraph 1, subdivision (d) of this subsection to all registered voters  
38 in the special taxing district at least ten but not more than twenty days  
39 before the date of the hearing on the estimates pursuant to section  
40 42-17104.

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

45 (a) Include the name of the newspaper of general circulation in  
46 which the truth in taxation notice will be published and the dates on  
47 which the truth in taxation notice will be published.

1 (b) Be posted on the official website of the special taxing  
2 district.

3 4. The governing body may only consider a motion to levy the  
4 increased property taxes by roll call vote.

5 5. Within three days after the hearing, the governing body shall  
6 mail a copy of the truth in taxation notice, as 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  
10 concurrently with the adoption of the county 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 may not fix, levy or assess an amount of  
14 secondary 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, "amounts 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 secondary property tax levy of the special taxing  
20 district in the preceding year by the estimate of the total net assessed  
21 valuation of the special taxing district for the current year, excluding  
22 the net assessed valuation attributable to new construction.

23 Enroll and engross to conform

24 Amend title to conform

And, as so amended, it do pass

JUSTIN OLSON  
CHAIRMAN

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01/29/2025

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C: ED