

State of Arizona  
House of Representatives  
Fifty-third Legislature  
Second Regular Session  
2018

# HOUSE BILL 2115

AN ACT

AMENDING SECTIONS 15-481 AND 15-491, ARIZONA REVISED STATUTES; REPEALING SECTION 15-492, ARIZONA REVISED STATUTES; AMENDING SECTIONS 15-511 AND 15-949, ARIZONA REVISED STATUTES; RELATING TO SCHOOL ELECTIONS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

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

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

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

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

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

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

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

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

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

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

22           9. At least two arguments, if submitted, but no more than ten  
23 arguments for and two arguments, if submitted, but no more than ten  
24 arguments against the proposed increase in the budget. The arguments  
25 shall be in a form prescribed by the county school superintendent, and  
26 each argument shall not exceed two hundred words. Arguments for the  
27 proposed increase in the budget shall be provided in writing and signed by  
28 the governing board. The ballot arguments for the proposed increase in  
29 the budget shall be signed as the governing board of the school district  
30 without listing any member's individual name for the arguments for the  
31 proposed increase. If submitted, additional arguments in favor of the  
32 proposed increase in the budget shall be provided in writing and signed by  
33 those in favor. Arguments against the proposed increase in the budget  
34 shall be provided in writing and signed by those in opposition. The names  
35 of persons and entities submitting written arguments shall be included in  
36 the ~~report~~ INFORMATIONAL PAMPHLET. The county school superintendent shall  
37 review all factual statements contained in the written arguments and  
38 correct any inaccurate statements of fact. The superintendent shall not  
39 review and correct any portion of the written arguments that are  
40 identified as statements of the author's opinion. The county school  
41 superintendent shall make the written arguments available to the public as  
42 provided in title 39, chapter 1, article 2. A deadline for submitting  
43 arguments to be included in the informational ~~report~~ PAMPHLET shall be set  
44 by the county school superintendent.

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

4           11. The current limited property value and the net assessed  
5 valuation provided by the department of revenue, the first year tax rate  
6 for the proposed override and the estimated amount of the secondary  
7 property taxes if the proposed budget is adopted for each of the  
8 following:

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

13           (b) An owner-occupied residence whose assessed valuation is  
14 one-half of the assessed valuation of the residence in subdivision (a) of  
15 this paragraph.

16           (c) An owner-occupied residence whose assessed valuation is twice  
17 the assessed valuation of the residence in subdivision (a) of this  
18 paragraph.

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

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

25           (a) An executive summary of the school district's most recent  
26 capital improvement plan submitted to the school facilities board.

27           (b) A complete list of each proposed capital improvement that will  
28 be funded with the budget increase and a description of the proposed cost  
29 of each improvement, including a separate aggregation of capital  
30 improvements for administrative purposes as defined by the school  
31 facilities board.

32           (c) The tax rate associated with each of the proposed capital  
33 improvements and the estimated cost of each capital improvement for the  
34 owner of a single family home that is valued at eighty thousand dollars.

35           C. For the purpose of this section, the school district may use its  
36 staff, equipment, materials, buildings or other resources only to  
37 distribute the informational ~~report~~ PAMPHLET at the school district office  
38 or at public hearings and to produce such information as required in  
39 subsection B of this section, provided that nothing in this subsection  
40 shall preclude school districts from holding or participating in any  
41 public hearings at which testimony is given by at least one person for the  
42 proposed increase and one person against the proposed increase. Any  
43 written information provided by the district pertaining to the override  
44 election shall include financial information showing the estimated first  
45 year tax rate for the proposed budget override amount.

1 D. If any amount of the proposed increase will be funded by a levy  
2 of taxes in the district, the election prescribed in subsection A of this  
3 section shall be held on the first Tuesday following the first Monday in  
4 November as prescribed by section 16-204, subsection F. If the proposed  
5 increase will be fully funded by revenues from other than a levy of taxes,  
6 the elections prescribed in subsection A of this section shall be held on  
7 any date prescribed by section 16-204. The elections shall be conducted  
8 as nearly as practicable in the manner prescribed in article 1 of this  
9 chapter, sections 15-422 through 15-424 and section 15-426, relating to  
10 special elections, except that:

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

13 2. Ballots shall be counted pursuant to title 16, chapter 4,  
14 article 10.

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

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

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



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$$\begin{array}{rclcl} & \text{Phase Down} & \text{Phase Down} & & \text{Small Isolated} \\ & \underline{\text{Base}} & \underline{\text{Reduction Factor}} & & \text{School District} \\ & \$150,000 & - \$ & = \$ & \underline{\text{Elementary Limit}} \end{array}$$

5 (ii)  
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$$\begin{array}{rclcl} & \text{Small School} & \text{Support Level Weight} & & \text{Phase Down} \\ & \text{Student} & \text{for Small} & & \text{Reduction} \\ & \underline{\text{Count Limit}} & \underline{\text{School Districts}} & \underline{\text{Base Level}} & \underline{\text{Factor}} \\ \underline{\hspace{2cm}} & - \underline{125} & \times 1.278 + (0.0003 \times & \times \$ & = \$ \\ & & (500 - \text{Student Count})) & & \end{array}$$

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$$\begin{array}{rclcl} & \text{Phase Down} & \text{Phase Down} & & \text{Small} \\ & \underline{\text{Base}} & \underline{\text{Reduction Factor}} & & \text{School District} \\ & \$150,000 & - \$ & = \$ & \underline{\text{Elementary Limit}} \end{array}$$

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

19 (i)  
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$$\begin{array}{rclcl} & \text{Small School} & \text{Support Level Weight} & & \text{Phase Down} \\ & \text{Student} & \text{for Small Isolated} & & \text{Reduction} \\ & \underline{\text{Count Limit}} & \underline{\text{School Districts}} & \underline{\text{Base Level}} & \underline{\text{Factor}} \\ \underline{\hspace{2cm}} & - \underline{100} & \times 1.468 + (0.0005 \times & \times \$ & = \$ \\ & & (500 - \text{Student Count})) & & \end{array}$$

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$$\begin{array}{rclcl} & \text{Phase Down} & \text{Phase Down} & & \text{Small Isolated} \\ & \underline{\text{Base}} & \underline{\text{Reduction Factor}} & & \text{District} \\ & \$350,000 & - \$ & = \$ & \underline{\text{Secondary Limit}} \end{array}$$

29 (ii)  
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$$\begin{array}{rclcl} & \text{Small School} & \text{Support Level Weight} & & \text{Phase Down} \\ & \text{Student} & \text{for Small} & & \text{Reduction} \\ & \underline{\text{Count Limit}} & \underline{\text{School Districts}} & \underline{\text{Base Level}} & \underline{\text{Factor}} \\ \underline{\hspace{2cm}} & - \underline{100} & \times 1.398 + (0.0004 \times & \times \$ & = \$ \\ & & (500 - \text{Student Count})) & & \end{array}$$

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$$\begin{array}{rclcl} & \text{Phase Down} & \text{Phase Down} & & \text{Small} \\ & \underline{\text{Base}} & \underline{\text{Reduction Factor}} & & \text{School District} \\ & \$350,000 & - \$ & = \$ & \underline{\text{Secondary Limit}} \end{array}$$

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

42 (d) If only subdivision (a) or (b) of this paragraph applies to a  
43 unified school district, the district's limit for the purposes of this  
44 paragraph is the sum of the limit computed as provided in subdivision (a)  
45 or (b) of this paragraph plus ten percent of the revenue control limit

1 attributable to those grade levels that do not meet the eligibility  
2 requirements of this subsection. If a school district budgets monies  
3 outside the revenue control limit pursuant to section 15-949, subsection  
4 E, the district's limit for the purposes of this paragraph is only the ten  
5 percent of the revenue control limit attributable to those grade levels  
6 that are not included under section 15-949, subsection E. For the  
7 purposes of this subdivision, the revenue control limit is separated into  
8 elementary and secondary components based on the weighted student count as  
9 provided in section 15-971, subsection B, paragraph 2, subdivision (a).

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

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

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

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

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



1 J. If the election is to exceed the revenue control limit as  
2 provided in section 15-482 and if the proposed increase will be fully  
3 funded by revenues other than a levy of taxes on the taxable property  
4 within the school district, the ballot shall contain the words "budget  
5 increase, yes" and "budget increase, no", and the voter shall signify the  
6 voter's desired choice. The ballot shall also contain the amount of the  
7 proposed increase of the proposed budget over the alternate budget, a  
8 statement that the amount of the proposed increase will be based on a  
9 percentage of the school district's revenue control limit in future years,  
10 if applicable, as provided in subsection Q of this section and the  
11 following statement:

12 Any budget increase authorized by this election shall be  
13 entirely funded by this school district with revenues from  
14 other than a levy of taxes on the taxable property within the  
15 school district for the year for which adopted and for \_\_\_\_\_  
16 subsequent years and shall not be realized from monies  
17 furnished by the state.

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

36 L. If the election is to exceed district additional assistance and  
37 if the proposed increase will be fully funded by a levy of taxes on the  
38 taxable property within the school district, the ballot shall contain the  
39 words "budget increase, yes" and "budget increase, no", and the voter  
40 shall signify the voter's desired choice. An election held pursuant to  
41 this subsection shall be held on the first Tuesday after the first Monday  
42 of November. The ballot shall also contain the amount of the proposed  
43 increase of the proposed budget over the alternate budget and the  
44 following statement:

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

16          M. If the election is to exceed district additional assistance and  
17          if the proposed increase will be fully funded by revenues from other than  
18          a levy of taxes on the taxable property within the school district, the  
19          ballot shall contain the words "budget increase, yes" and "budget  
20          increase, no", and the voter shall signify the voter's desired choice. An  
21          election held pursuant to this subsection shall be held on the first  
22          Tuesday after the first Monday of November. The ballot shall also contain  
23          the amount of the proposed increase of the proposed budget over the  
24          alternate budget and the 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 in which adopted and for \_\_\_\_\_  
29                 subsequent years and shall not be realized from monies  
30                 furnished by the state.

31          N. If the election is to exceed a combination of the revenue  
32          control limit as provided in subsection E or F of this section, the  
33          revenue control limit as provided in subsection I or J of this section or  
34          district additional assistance as provided in subsection L or M of this  
35          section, the ballot shall be prepared so that the voters may vote on each  
36          proposed increase separately and shall contain statements required in the  
37          same manner as if each proposed increase were submitted separately.

38          O. If the election provides for a levy of taxes on the taxable  
39          property within the school district, at least thirty days prior to the  
40          election, the department of revenue shall provide the school district  
41          governing board and the county school superintendent with the current net  
42          assessed valuation of the school district. The governing board and the  
43          county school superintendent shall use the current net assessed valuation  
44          of the school district to translate the amount of the proposed dollar

1 increase in the budget of the school district over that allowed by law  
2 into a tax rate figure.

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

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

34 2. Is for five years or more, the proposed increase is equal to the  
35 initial proposed percentage increase in the following years of the  
36 proposed increase, except that in the next to last year it is two-thirds  
37 of the initial proposed percentage increase and it is one-third of the  
38 initial proposed percentage increase in the last year of the proposed  
39 increase.

40 Q. If the voters in a school district vote to adopt a budget in  
41 excess of the revenue control limit as provided in subsection I or J of  
42 this section, any additional increase shall be included in the aggregate  
43 budget limit for each of the years authorized. Any additional increase  
44 shall be excluded from the determination of equalization assistance. The  
45 school district governing board, however, may levy on the net assessed

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

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

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

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

43 S. If the voters in a school district vote to adopt a budget in  
44 excess of district additional assistance as provided in subsection M of  
45 this section, any additional increase shall be included in the aggregate

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

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

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

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

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

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

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

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

41 2. The ballot shall contain the words "budget increase, yes" and  
42 "budget increase, no", and the voter shall signify the voter's desired  
43 choice.

44 3. At least eighty-five days before the election, the school  
45 district shall submit proposed ballot language to the director of the

1 Arizona legislative council. The director of the Arizona legislative  
2 council shall review the proposed ballot language to determine whether the  
3 proposed ballot language complies with this section. If the director of  
4 the Arizona legislative council determines that the proposed ballot  
5 language does not comply with this section, the director, within ten  
6 calendar days of the receipt of the proposed ballot language, shall notify  
7 the school district of the director's objections and the school district  
8 shall resubmit revised ballot language to the director for approval.

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

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

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

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

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

43 AA. Notwithstanding any other law, the maximum budget increase that  
44 may be authorized pursuant to subsection L or M of this section is ten  
45 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 \_\_\_\_\_ dollar per one  
23 hundred dollars of assessed valuation used for secondary  
24 property tax purposes and is in addition to the school  
25 district's tax rate that will be levied to fund the school  
26 district's revenue control limit 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

1 proposed continuation of the increase in the school district's  
2 budget would require an estimated continuation of a tax rate of  
3 \_\_\_\_\_ dollar per one hundred dollars of net assessed  
4 valuation used for secondary property tax purposes and is in  
5 addition to the school district's tax rate that will be levied  
6 to fund the school district's revenue control limit allowed by  
7 law.

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

10 15-491. Elections on school property: exceptions

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

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

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

20 3. To decide whether the bonds of the school district shall be  
21 issued and sold for the purpose of raising money for purchasing or leasing  
22 school lots, for building or renovating school buildings, for supplying  
23 school buildings with furniture, equipment and technology, for improving  
24 school grounds, for purchasing pupil transportation vehicles or for  
25 liquidating any indebtedness already incurred for such purposes. Bonds  
26 issued for furniture, equipment and technology, other than fixtures, shall  
27 mature no later than the July 1 that follows the fifth year after the  
28 bonds were issued. A school district shall not issue class B bonds until  
29 the school district has obligated in contract the entire proceeds of any  
30 class A bonds issued by the school district. The total amount of class A  
31 and class B bonds issued by a school district shall not exceed the debt  
32 limitations prescribed in article IX, sections 8 and 8.1, Constitution of  
33 Arizona.

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

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



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

5           B. No petition shall be required for the holding of the first  
6 election to be held in a joint common school district for any of the  
7 purposes specified in subsection A of this section. ~~The notice of~~  
8 ~~election required by section 15-492 shall be published in each of the~~  
9 ~~counties that comprise the joint common school district.~~ The  
10 certification of election results required by section 15-493 shall be made  
11 to the board of supervisors of the jurisdictional county.

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

17           D. The governing board shall order the election to be held **AND THE**  
18 **ELECTION NOTICE AND PROCEDURES TO BE CONDUCTED** in the manner prescribed in  
19 title 35, chapter 3, article 3. If a petition for an election has been  
20 filed with the governing board as provided in subsection A of this  
21 section, the board shall act on the petition within sixty days by ordering  
22 the election to be held as provided in this subsection. If a school  
23 district bond election is scheduled for the same date a school district  
24 will hold an override election, the governing body shall deliver a copy of  
25 the notice of election and ballot to the county school superintendent who  
26 shall include the notice of election and ballot with the ~~information~~  
27 ~~report~~ **INFORMATIONAL PAMPHLET** and ballot prepared for the override  
28 election. Mailing of the information required for both the override and  
29 bond elections shall constitute compliance with the notice provisions of  
30 this section.

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

37           F. Subsection A, paragraph 2 of this section does not apply to the  
38 sale of school property if the market value of the school property is less  
39 than fifty thousand dollars.

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

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

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

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

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

14 2. For a school district that is a joint technical education  
15 district, the ballot shall include the following statement:

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

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

24 ~~4. The ballot shall also contain the phrase "the issuance of these~~  
25 ~~bonds will result in an annual levy of property taxes sufficient to pay~~  
26 ~~the debt on the bonds"~~ CONFORM TO THE REQUIREMENTS OF TITLE 35, CHAPTER 3,  
27 ARTICLE 3.

28 ~~5.~~ 4. At least eighty-five days before the election, the school  
29 district shall submit proposed ballot language to the COUNTY SCHOOL  
30 SUPERINTENDENT AND THE director of the Arizona legislative council. The  
31 director of the Arizona legislative council shall review the proposed  
32 ballot language to determine whether the proposed ballot language complies  
33 with this section. If the director of the Arizona legislative council  
34 determines that the proposed ballot language does not comply with this  
35 section, the director, within ten calendar days of the receipt of the  
36 proposed ballot language, shall notify the school district AND THE COUNTY  
37 SCHOOL SUPERINTENDENT of the director's objections and the school district  
38 shall resubmit revised ballot language to the director for approval.

39 ~~6.~~ 5. No later than thirty-five days before a class B bond  
40 election conducted pursuant to this section, the school district shall  
41 mail a ~~publicity~~ AN INFORMATIONAL pamphlet PREPARED BY THE COUNTY SCHOOL  
42 SUPERINTENDENT to each household that contains a qualified elector in the  
43 school district. The ~~publicity~~ INFORMATIONAL pamphlet shall contain, at a  
44 minimum, the following information:

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

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

8 (c) The tax rate associated with each of the proposed capital  
9 improvements and the estimated cost of each capital improvement for the  
10 owner of a single family home that is valued at one hundred thousand  
11 dollars.

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

14 1. The ballot shall include the following statement:

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

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

24 2. The ballot shall contain the words "bond approval, yes" and  
25 "bond approval, no", and the voter shall signify the voter's desired  
26 choice.

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

37 4. No later than thirty-five days before an impact aid revenue bond  
38 election conducted pursuant to this section, the school district shall  
39 mail ~~a publicity~~ AN INFORMATIONAL pamphlet PREPARED BY THE COUNTY SCHOOL  
40 SUPERINTENDENT to each household that contains a qualified elector in the  
41 school district. The ~~publicity~~ INFORMATIONAL pamphlet shall contain, at a  
42 minimum, the following information:

43 (a) The date of the election.

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

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

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

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

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

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

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

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

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

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

1           2. No later than thirty-five days before the election, the school  
2 district shall mail ~~a~~ ~~publicity~~ AN INFORMATIONAL pamphlet PREPARED BY THE  
3 COUNTY SCHOOL SUPERINTENDENT to each household in the school district that  
4 contains a qualified elector. The ~~publicity~~ INFORMATIONAL pamphlet shall  
5 contain, at a minimum, the following information:

6           (a) The date of the election.

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

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

9           (d) A complete list of each proposed capital improvement that is in  
10 addition to the initial capital improvements presented in the ~~publicity~~  
11 INFORMATIONAL pamphlet when the bonds were approved and the proposed cost  
12 of each improvement, including a separate aggregation of capital  
13 improvements for administrative purposes as defined by the school  
14 facilities board.

15           (e) A complete list of each capital improvement that was presented  
16 in the ~~publicity~~ INFORMATIONAL pamphlet when the bonds were initially  
17 approved and that is proposed to be eliminated or to have its cost  
18 reduced, and the proposed cost of each improvement, including a separate  
19 aggregation of capital improvements for administrative purposes as defined  
20 by the school facilities board.

21           (f) Arguments for and against the proposed change, if submitted, as  
22 provided by 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 "change capital improvements,  
27 yes" and "change capital improvements, no", and the voter shall signify  
28 the voter's desired choice.

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

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

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

36           2. No later than thirty-five days before the election, the school  
37 district shall mail ~~a~~ ~~publicity~~ AN INFORMATIONAL pamphlet PREPARED BY THE  
38 COUNTY SCHOOL SUPERINTENDENT to each household in the school district that  
39 contains a qualified elector. The ~~publicity~~ INFORMATIONAL pamphlet shall  
40 contain, at a minimum, the following information:

41           (a) The date of the election.

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

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

44           (d) Arguments for and against the proposed change, if submitted, as  
45 provided in section 15-481, subsection B, paragraph 9. The ballot

1 arguments for the proposed change shall be signed as the governing board  
2 of the school district without listing any member's individual name for  
3 the arguments for the proposed change.

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

7 Sec. 3. Repeal

8 Section 15-492, Arizona Revised Statutes, is repealed.

9 Sec. 4. Section 15-511, Arizona Revised Statutes, is amended to  
10 read:

11 15-511. Use of school district or charter school resources or  
12 employees to influence elections; prohibition;  
13 civil penalty; definitions

14 A. A person acting on behalf of a school district or a person who  
15 aids another person acting on behalf of a school district shall not spend  
16 or use school district or charter school resources, including the use or  
17 expenditure of monies, accounts, credit, facilities, vehicles, postage,  
18 telecommunications, computer hardware and software, web pages, personnel,  
19 equipment, materials, buildings or any other thing of value of the school  
20 district or charter school, for the purpose of influencing the outcomes of  
21 elections. Notwithstanding this section, a school district may distribute  
22 informational ~~reports~~ PAMPHLETS on a proposed budget override election as  
23 provided in section 15-481, subsections B and C or informational ~~reports~~  
24 PAMPHLETS on a proposed bond election as provided in section 15-491,  
25 subsection D if those informational ~~reports~~ PAMPHLETS present factual  
26 information in a neutral manner, except for those arguments presented as  
27 prescribed in section 15-481, subsection B, paragraph 9. Nothing in this  
28 section precludes a school district from reporting on official actions of  
29 the governing board.

30 B. The prohibition on the use of public resources to influence the  
31 outcome of bond, budget override and other tax-related elections includes  
32 the use of school district-focused promotional expenditures that occur  
33 after an election is called and through election day. This prohibition  
34 does not include routine school district communications.

35 C. This section does not prohibit the use of school district or  
36 charter school resources, including facilities and equipment, for  
37 government-sponsored forums or debates if the government sponsor remains  
38 impartial and the events are purely informational and provide an equal  
39 opportunity to all viewpoints. The rental and use of a public facility by  
40 a private person or entity that may lawfully attempt to influence the  
41 outcome of an election is permitted if it does not occur at the same time  
42 and place as a government-sponsored forum or debate.

43 D. An employee of a school district or charter school who is acting  
44 as an agent of or working in an official capacity for the school district  
45 or charter school may not give pupils written materials to influence the

1 outcome of an election or to advocate support for or opposition to pending  
2 or proposed legislation.

3 E. Employees of a school district or charter school may not use the  
4 authority of their positions to influence the vote or political activities  
5 of any subordinate employee.

6 F. Notwithstanding section 15-342, paragraph 8, a school district  
7 shall not spend monies for membership in an association that attempts to  
8 influence the outcome of an election.

9 G. ~~Nothing contained in~~ This section ~~shall be construed as denying~~  
10 DOES NOT DENY the civil and political liberties of any person as  
11 guaranteed by the United States and Arizona Constitutions.

12 H. The attorney general shall publish and distribute to school  
13 districts and charter schools a detailed guideline regarding activities  
14 prohibited under this section. The attorney general may distribute these  
15 guidelines through a website or electronically.

16 I. The attorney general or the county attorney for the county in  
17 which an alleged violation of this section occurred may initiate a suit in  
18 the superior court in the county in which the school district or charter  
19 school is located for the purpose of complying with this section.

20 J. For each violation of this section, the court may impose a civil  
21 penalty not to exceed five thousand dollars plus any amount of misused  
22 funds subtracted from the school district budget against a person who  
23 knowingly violates or a person who knowingly aids another person in  
24 violating this section. The person determined to be out of compliance  
25 with this section shall be responsible for the payment of all penalties  
26 and misused funds. School district funds or insurance payments shall not  
27 be used to pay these penalties or misused funds. All misused funds  
28 collected pursuant to this section shall be returned to the school  
29 district or charter school whose funds were misused.

30 K. An attorney acting on behalf of a public school may request a  
31 legal opinion of the county attorney or attorney general as to whether a  
32 proposed use of school district resources would violate this section.

33 L. All penalties collected by the court for a suit initiated in  
34 superior court by the attorney general shall be paid to the office of the  
35 attorney general for the use and reimbursement of costs of prosecution  
36 pursuant to this section. All penalties collected by the court for a suit  
37 initiated in superior court by a county attorney shall be paid to the  
38 county treasurer of the county in which the court is held for the use and  
39 reimbursement of costs of prosecution pursuant to this section.

40 M. For the purposes of this section:

41 1. "Government-sponsored forum or debate" means any event, or part  
42 of an event or meeting, in which the government is an official sponsor,  
43 which is open to the public or to invited members of the public, and whose  
44 purpose is to inform the public about an issue or proposition that is  
45 before the voters.

1           2. "Influencing the outcomes of elections" means supporting or  
2 opposing a candidate for nomination or election to public office or the  
3 recall of a public officer or supporting or opposing a ballot measure,  
4 question or proposition, including any bond, budget or override election  
5 and supporting or opposing the circulation of a petition for the recall of  
6 a public officer or a petition for a ballot measure, question or  
7 proposition in any manner that is not impartial or neutral.

8           3. "Misused funds" means school district monies or resources used  
9 unlawfully pursuant to this section.

10           4. "Routine school district communications" means messages or  
11 advertisements that are germane to the functions of the school district  
12 and that maintain the frequency, scope and distribution consistent with  
13 past practices or are necessary for public safety.

14           Sec. 5. Section 15-949, Arizona Revised Statutes, is amended to  
15 read:

16           15-949. Small school districts; exemption from general budget  
17 limit; budget revision

18           A. The governing board of a common school district with a student  
19 count in kindergarten programs and grades one through eight of one hundred  
20 twenty-five or less, the governing board of a high school district with a  
21 student count of one hundred or less or the governing board of a unified  
22 school district or the county school superintendent for an accommodation  
23 school with a student count of one hundred twenty-five or less in  
24 kindergarten programs and grades one through eight or with a student count  
25 of one hundred or less in grades nine through twelve shall compute a  
26 revenue control limit and a general budget limit, but the governing board  
27 or the county school superintendent may:

28           1. Adopt a budget in excess of the general budget limit without the  
29 necessity of an election under section 15-481, provided that for a unified  
30 school district or for an accommodation school the excess amount of  
31 expenditures shall be attributable to the student count in kindergarten  
32 programs and grades one through eight or to the student count in grades  
33 nine through twelve as provided in this subsection.

34           2. Revise its budget to include the costs for additional pupils who  
35 were not anticipated when the budget was adopted, if it receives  
36 permission as follows:

37           (a) If a governing board:

38           (i) The governing board shall send a petition to the county school  
39 superintendent requesting authority to revise its budget. The petition  
40 shall include a copy of the proposed budget.

41           (ii) The county school superintendent shall recommend the action to  
42 be taken on the petition and forward the recommendation and the petition  
43 to the board of supervisors.

44           (iii) The board of supervisors shall hold a hearing on the petition  
45 within twenty days after receipt of the petition and shall determine



1 whether to allow the petition, allow the petition after revision or deny  
2 the petition.

3 (b) If a county school superintendent, the county school  
4 superintendent shall send the revised budget to the board of supervisors,  
5 and the board of supervisors shall hold a hearing on the recommendation  
6 within twenty days after receipt of the recommendation and shall determine  
7 whether to allow the revised budget, allow the revised budget after  
8 further revision or deny the revision.

9 B. If the board of supervisors revises or denies the petition or  
10 recommendation presented pursuant to subsection A, paragraph 2,  
11 subdivision (a), item (iii) or subdivision (b) of this section, **THE BOARD**  
12 **SHALL STATE** the reasons for revision or denial ~~shall be stated~~ in writing.

13 C. School districts that in any year after fiscal year 1984-1985  
14 but before fiscal year 1999-2000 have operated under the provisions of the  
15 small school adjustment as provided for in subsection A of this section  
16 and that have subsequently exceeded the student count limits expressed in  
17 subsection A of this section may continue in successive years to adopt a  
18 budget greater than the general budget limit without the necessity of an  
19 election under section 15-481, except that the amount greater than the  
20 general budget limit shall not exceed fifty thousand dollars. The amount  
21 that is adopted without the use of an election under section 15-481 and  
22 that is greater than the general budget limit is specifically exempt from  
23 the revenue control limit.

24 D. Notwithstanding subsection C of this section, school districts  
25 that exceeded the student count limits prescribed in subsection A of this  
26 section may adopt, in the first year that these limits are exceeded, a  
27 budget that exceeds the general budget limit without an election conducted  
28 pursuant to section 15-481 or pursuant to subsection E of this section,  
29 except that the amount that exceeds the general budget limit shall not  
30 exceed the amount authorized pursuant to subsection C of this section plus  
31 the limit prescribed in subsection E of this section. The amount that is  
32 adopted without an election and that exceeds the general budget limit is  
33 exempt from the revenue control limit.

34 E. School districts that in any year after fiscal year 1998-1999  
35 have operated under the provisions of the small school adjustment as  
36 provided in subsection A of this section and that have subsequently  
37 exceeded the student count limits prescribed in subsection A of this  
38 section may continue in successive years to adopt a budget greater than  
39 the general budget limit subject to an election, except that the amount  
40 that is greater than the general budget limit shall not exceed the amount  
41 that is prescribed in this subsection. The amount that is adopted  
42 pursuant to this subsection is specifically exempt from the revenue  
43 control limit and shall be funded by a levy on secondary property taxes in  
44 the school district. The maximum amount that may be adopted pursuant to  
45 this subsection is computed as follows:

1           1. For a unified school district, separate the revenue control  
2 limit into elementary and secondary components based on the weighted  
3 student count as provided in section 15-971, subsection B, paragraph 2,  
4 subdivision (a). Use the elementary component of the revenue control  
5 limit for the purposes of paragraph 2 of this subsection and the secondary  
6 component of the revenue control limit for the purposes of paragraph 3 of  
7 this subsection.

8           2. For a common or unified district that used the provisions of  
9 subsection A of this section based on its elementary student count, the  
10 amount is determined as follows:

11           (a) Subtract one hundred twenty-five from the elementary student  
12 count.

13           (b) Multiply the difference in subdivision (a) of this paragraph by  
14 0.45 ~~per cent~~ PERCENT.

15           (c) Subtract the product determined in subdivision (b) of this  
16 paragraph from thirty-five ~~per cent~~ PERCENT. If the result is zero or  
17 less than zero, the district is not eligible to use the provisions of this  
18 paragraph.

19           (d) Multiply the difference determined in subdivision (c) of this  
20 paragraph by the elementary revenue control limit.

21           3. For a high school or unified district that used the provisions  
22 of subsection A of this section based on its secondary student count, the  
23 amount is determined as follows:

24           (a) Subtract one hundred from the secondary student count.

25           (b) Multiply the difference in subdivision (a) of this paragraph by  
26 0.65 ~~per cent~~ PERCENT.

27           (c) Subtract the product determined in subdivision (b) of this  
28 paragraph from sixty-five ~~per cent~~ PERCENT. If the result is zero or less  
29 than zero, the district is not eligible to use the provisions of this  
30 paragraph.

31           (d) Multiply the difference determined in subdivision (c) of this  
32 paragraph by the secondary revenue control limit.

33           4. For a unified school district that used the provisions of  
34 subsection A of this section for both its elementary and secondary pupils,  
35 combine the amounts determined in paragraphs 2 and 3 of this subsection.

36           F. For the purposes of subsection E of this section:

37           1. "Elementary" means kindergarten programs and grades one through  
38 eight.

39           2. "Secondary" means grades nine through twelve.

40           G. The part of the primary tax rate set to fund the small school  
41 district adjustment as provided in subsections D and E of this section  
42 shall not be included in the computation of additional state aid for  
43 education as prescribed in section 15-972.

44           H. The election required pursuant to subsection E of this section  
45 shall conform to the procedural requirements for calling the election,

1 preparing the informational ~~report~~ PAMPHLET and preparing the ballot as  
2 prescribed in section 15-481, subsections A, B, C and D. The maximum  
3 number of years that a budget override approved pursuant to subsection E  
4 of this section may be in effect is five years.

5 I. If the proposed budget override will be fully funded by a levy  
6 of taxes on the taxable property within the school district, the ballot  
7 shall contain the words "budget override, yes" and "budget override, no",  
8 and the voter shall signify the voter's desired choice. The ballot shall  
9 also contain the amount of the proposed budget override compared to the  
10 amount the school district budgeted in the preceding year and the amount  
11 the school district would be allowed to budget for if the measure is not  
12 approved by the voters. The statement shall also include the estimated  
13 amount of the override for each year the override is sought. The ballot  
14 shall also include the following statement:

15 The budget override authorized by this election allows  
16 the \_\_\_\_\_ school district to levy property taxes in  
17 excess of the property tax levy allowed by law to fund the  
18 school district's revenue control limit. The property tax  
19 levy for the year for which adopted and for \_\_\_\_ subsequent  
20 years will be annually adjusted based on a formula that  
21 authorizes the \_\_\_\_\_ school district to exceed the  
22 revenue control limit by up to thirty-five ~~per cent~~ PERCENT  
23 for kindergarten programs and grades one through eight or up  
24 to sixty-five ~~per cent~~ PERCENT for grades nine through twelve.  
25 The levy shall not be realized from monies furnished by the  
26 state and shall not be subject to the limitation on taxes  
27 specified in article IX, section 18, Constitution of  
28 Arizona. Based on an estimate of assessed valuation used for  
29 secondary property tax purposes, the proposed override in the  
30 \_\_\_\_\_ school district's budget over that allowed by  
31 the revenue control limit would result in an estimated  
32 increase in the school district's tax rate of  
33 \_\_\_\_\_ dollars per one hundred dollars of assessed  
34 valuation for the secondary property tax purposes.

35 J. If the proposed budget override will be fully funded by revenues  
36 from other than a levy of taxes on the taxable property within the school  
37 district, the ballot shall contain the words "budget override, yes" and  
38 "budget override, no", and the voter shall signify the voter's desired  
39 choice. The ballot shall also contain the amount of the proposed budget  
40 override compared to the amount the school district budgeted in the  
41 preceding year and the amount the school district would be allowed to  
42 budget for if the measure is not approved by the voters. The statement  
43 shall also include the estimated amount of the override for each year the  
44 override is sought. The ballot shall also include the following  
45 statement:

1           Any budget override authorized by this election shall be  
2           entirely funded by this school district with revenues from  
3           other than a levy of taxes on the taxable property within the  
4           school district for the year for which adopted and for \_\_\_\_\_  
5           subsequent years and shall not be realized from monies  
6           furnished by the state.  
7           K. For the purposes of subsections H and I of this section, levy of  
8           taxes on the taxable property does not include a levy of the government  
9           property lease or park property lease excise taxes assessed pursuant to  
10          title 42, chapter 6, article 5.