

REFERENCE TITLE: school districts; overrides; ballot question

State of Arizona
House of Representatives
Fifty-fourth Legislature
First Regular Session
2019

HB 2304

Introduced by
Representative Udall

AN ACT

AMENDING SECTION 15-481, ARIZONA REVISED STATUTES; RELATING TO SCHOOL DISTRICT BUDGET OVERRIDE 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 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 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 pamphlet on the proposed increase in the budget and a sample ballot and,
31 at least forty days prior to the election, shall transmit the
32 informational pamphlet and the sample ballot to the governing board of the
33 school district. The governing board, on receipt of the informational
34 pamphlet and the ballot, shall mail or distribute the informational
35 pamphlet and the ballot to the households in which qualified electors
36 reside within the school district at least thirty-five days prior to the
37 election. Any distribution of material concerning the proposed increase
38 in the budget shall not be conducted by children enrolled in the school
39 district. The informational pamphlet shall contain the following
40 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 informational pamphlet. The county school superintendent shall review
37 all factual statements contained in the written arguments and correct any
38 inaccurate statements of fact. The superintendent shall not review and
39 correct any portion of the written arguments that are identified as
40 statements of the author's opinion. The county school superintendent
41 shall make the written arguments available to the public as provided in
42 title 39, chapter 1, article 2. A deadline for submitting arguments to be
43 included in the informational pamphlet shall be set by the county school
44 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 \$80,000.

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

1 financial information showing the estimated first year tax rate for the
2 proposed budget override amount.

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

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

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

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

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

41 F. If the election is to exceed the revenue control limit and if
42 the proposed increase will be fully funded by revenues from other than a
43 levy of taxes on the taxable property within the school district, the
44 ballot shall contain the words "~~budget increase~~ LOCAL SUPPORT, yes" and

1 ~~"budget increase~~ LOCAL SUPPORT, no", and the voter shall signify the
 2 voter's desired choice. The ballot shall also contain:

3 1. The amount of the proposed increase of the proposed budget over
 4 the alternate budget.

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

8 3. The following statement:

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

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

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

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

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

40 (i)

41		Small School	Support Level Weight		Phase Down
42	Student	Student	for Small Isolated		Reduction
43	<u>Count</u>	<u>Count Limit</u>	<u>School Districts</u>	<u>Base Level</u>	<u>Factor</u>
44	_____ -	_____ 125	x 1.358 + (0.0005 x	x \$ _____	= \$ _____
45			(500 - Student Count))		

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

5 (ii)
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$$\begin{array}{rcll} & \text{Small School} & \text{Support Level Weight} & \text{Phase Down} \\ & \text{Student} & \text{for Small} & \text{Reduction} \\ & \text{Count} & \text{School Districts} & \text{Factor} \\ & \underline{\text{Count Limit}} & \underline{\text{Base Level}} & \underline{\text{Factor}} \\ \underline{\hspace{1cm}} - \underline{125} & \times 1.278 + (0.0003 \times & \times \underline{\$} & = \underline{\$} \\ & (500 - \text{Student Count})) & & \end{array}$$

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

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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$$\begin{array}{rcll} & \text{Small School} & \text{Support Level Weight} & \text{Phase Down} \\ & \text{Student} & \text{for Small Isolated} & \text{Reduction} \\ & \text{Count} & \text{School Districts} & \text{Factor} \\ & \underline{\text{Count Limit}} & \underline{\text{Base Level}} & \underline{\text{Factor}} \\ \underline{\hspace{1cm}} - \underline{100} & \times 1.468 + (0.0005 \times & \times \underline{\$} & = \underline{\$} \\ & (500 - \text{Student Count})) & & \end{array}$$

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

29 (ii)
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$$\begin{array}{rcll} & \text{Small School} & \text{Support Level Weight} & \text{Phase Down} \\ & \text{Student} & \text{for Small} & \text{Reduction} \\ & \text{Count} & \text{School Districts} & \text{Factor} \\ & \underline{\text{Count Limit}} & \underline{\text{Base Level}} & \underline{\text{Factor}} \\ \underline{\hspace{1cm}} - \underline{100} & \times 1.398 + (0.0004 \times & \times \underline{\$} & = \underline{\$} \\ & (500 - \text{Student Count})) & & \end{array}$$

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

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~~ LOCAL
24 SUPPORT, yes" and "~~budget increase~~ LOCAL SUPPORT, no", and the voter shall
25 signify the voter's desired choice. The ballot shall also contain the
26 amount of the proposed increase of the budget over the alternate budget, a
27 statement that the amount of the proposed increase will be based on a
28 percentage of the school district's revenue control limit in future years,
29 if applicable, as provided in subsection Q of this section, and the
30 following statement:

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

1 be levied to fund the school district's revenue control limit
 2 allowed by law.

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

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

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

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

1 the amount of the proposed increase of the proposed budget over the
2 alternate budget 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 in 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 _____ dollar per
13 one hundred dollars of net assessed valuation used for
14 secondary property tax purposes and is in addition to the
15 school district's tax rate that will be levied to fund the
16 school district's district additional assistance allowed by
17 law.

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

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

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

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

1 of the school district to translate the amount of the proposed dollar
 2 increase in the budget of the school district over that allowed by law
 3 into a tax rate figure.

4 P. If the voters in a school district vote to adopt a budget in
 5 excess of the revenue control limit as provided in subsection E or F of
 6 this section, any additional increase shall be included in the aggregate
 7 budget limit for each of the years authorized. Any additional increase
 8 shall be excluded from the determination of equalization assistance. The
 9 school district governing board, however, may levy on the net assessed
 10 valuation used for secondary property tax purposes of the property in the
 11 school district the additional increase if adopted under subsection E of
 12 this section for the period of one year, two years or five through seven
 13 years as authorized. If an additional increase is approved as provided in
 14 subsection F of this section, the school district governing board may only
 15 use revenues derived from the school district's prior year's maintenance
 16 and operation fund ending cash balance to fund the additional increase.
 17 If a budget increase was previously authorized and will be in effect for
 18 the budget year or budget year and subsequent years, as provided in
 19 subsection E or F of this section, the governing board may request a new
 20 budget increase as provided in the same subsection under which the prior
 21 budget increase was adopted, which shall not exceed the maximum amount
 22 permitted under subsection G of this section. If the voters in the school
 23 district authorize the new budget increase amount, the existing budget
 24 increase no longer is in effect. If the voters in the school district do
 25 not authorize the budget increase amount, the existing budget increase
 26 remains in effect for the time period for which it was authorized. The
 27 maximum additional increase authorized as provided in subsection E or F of
 28 this section and the additional increase that is included in the aggregate
 29 budget limit is based on a percentage of a school district's revenue
 30 control limit in future years, if the budget increase is authorized for
 31 more than one year. If the additional 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
 41 October 31, 1998, the period of the additional increase prescribed in this
 42 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 prior to 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.

1 2. The ballot shall contain the words "~~budget increase~~ LOCAL
2 SUPPORT, yes" and "~~budget increase~~ LOCAL SUPPORT, no", and the voter shall
3 signify the voter's desired choice.

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

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

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

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

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

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

1 excess of district additional assistance, the existing district additional
2 assistance budget increase remains in effect.

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

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

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

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

43 Any budget increase continuation authorized by this
44 election shall be entirely funded by a levy of taxes on the
45 taxable property in this school district for the year for which

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