

REFERENCE TITLE: **schools; expenditure limit; overrides**

State of Arizona
House of Representatives
Fifty-sixth Legislature
Second Regular Session
2024

HB 2463

Introduced by
Representatives Pawlik: Gutierrez, Hernandez C, Longdon, Schwiebert,
Seaman, Terech; Senator Marsh

AN ACT

**AMENDING SECTIONS 15-302 AND 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 15-302, Arizona Revised Statutes, is amended to
3 read:

4 15-302. Powers and duties

5 A. The county school superintendent shall:

6 1. Distribute all laws, reports, circulars, instructions and forms
7 that the county school superintendent may receive for the use of school
8 officers.

9 2. Record all official acts.

10 3. Appoint governing board members of school districts to fill all
11 vacancies, ~~but the term of the appointment shall be~~ until the next regular
12 election for governing board members, at which time a successor shall be
13 elected to serve the unexpired portion of the term. Within thirty days
14 after notification of a vacancy, the school district governing board may
15 submit up to three names to the county school superintendent for
16 consideration of an appointment to fill the vacancy. The county school
17 superintendent is not required to appoint a governing board member from
18 the list of names submitted by the governing board. The county school
19 superintendent, if the county school superintendent deems it in the best
20 interest of the community, may call a special election to fill the
21 vacancies. If an election is called, the newly elected member shall serve
22 for the remainder of the unexpired portion of the term.

23 4. Make reports, when directed by the superintendent of public
24 instruction, showing matters relating to schools in the county as may be
25 required on the forms furnished by the superintendent of public
26 instruction.

27 5. Have such powers and perform such duties as otherwise prescribed
28 by law.

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

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

36 8. Be responsible, in cooperation with the school district
37 governing boards and the board of supervisors, for all special school
38 district elections.

39 9. Maintain teacher and administrator certification records of
40 effective dates and expiration dates of teachers' and administrators'
41 certificates in compliance with guidelines prescribed in the uniform
42 system of financial records for those school districts for which the
43 county school superintendent is the fiscal agent. The county school
44 superintendent shall not draw a warrant in payment of a teacher's,
45 substitute teacher's or administrator's salary unless the teacher,

1 substitute teacher or administrator is legally certified during the fiscal
2 year in which the term for payment is demanded.

3 ~~10. Notify a school district three years before the expiration of a~~
4 ~~revenue control limit override that the school district's budget must be~~
5 ~~adjusted in the final two years of the override pursuant to section~~
6 ~~15-481, subsections P and Q, if the voters do not approve another~~
7 ~~override.~~

8 ~~11.~~ 10. In collaboration with the department of education and
9 other state agencies, ~~provide assistance to~~ ASSIST school districts,
10 charter schools, county free library districts, municipal libraries,
11 nonprofit and public libraries, tribal libraries, private schools and
12 tribal schools on ~~the use of~~ USING student data, staff development,
13 curriculum alignment and technology to improve student performance.

14 ~~12.~~ 11. Assist schools in meeting yearly adequate progress goals
15 as defined by criteria established by the state board of education and
16 implemented by the department of education.

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

20 C. The county school superintendent may provide the services
21 prescribed in subsections A and B of this section in the county or jointly
22 with two or more counties pursuant to title 11, chapter 7, article 3.

23 D. Each county school superintendent may establish an advisory
24 committee to the office of the county school superintendent.

25 Sec. 2. Section 15-481, Arizona Revised Statutes, is amended to
26 read:

27 15-481. Override election; budget increases; informational
28 pamphlet; notice; ballot; effect

29 A. If a proposed budget of a school district exceeds the aggregate
30 budget limit for the budget year, at least ninety days before the proposed
31 election the governing board shall order an override election to be held
32 on the first Tuesday following the first Monday in November as prescribed
33 by section 16-204, subsection F for the purpose of presenting the proposed
34 budget to the qualified electors of the school district who by a majority
35 of those voting either shall affirm or reject the budget. At the same
36 time as the order of the election, the governing board shall publicly
37 declare the deadline for submitting arguments, as set by the county school
38 superintendent pursuant to subsection B, paragraph 9 of this section, to
39 be submitted in the informational pamphlet and shall immediately post the
40 deadline in a prominent location on the district's website. In addition,
41 the governing board shall prepare an alternate budget that does not
42 include an increase in the budget of more than the amount allowed as
43 provided in section 15-905. If the qualified electors approve the
44 proposed budget, the governing board of the school district shall follow
45 the procedures prescribed in section 15-905 for adopting a budget that

1 includes the authorized increase. If the qualified electors disapprove
2 the proposed budget, the governing board shall follow the procedures
3 prescribed in section 15-905 for adopting a budget that does not include
4 the proposed increase or the portion of the proposed increase that exceeds
5 the amount authorized by a previously approved budget increase as
6 prescribed in subsection P of this section.

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

18 1. The date of the election.

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

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

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

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

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

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

37 8. The dollar amount and the purpose for which the proposed
38 increase in the budget is to be expended for the first year for which the
39 budget increase was adopted. The purpose statement shall only present
40 factual information in a neutral manner. Advocacy for the expenditures is
41 strictly limited to the arguments submitted pursuant to paragraph 9 of
42 this subsection.

43 9. At least two arguments, if submitted, but not more than ten
44 arguments for and two arguments, if submitted, but not more than ten
45 arguments against the proposed increase in the budget. The arguments

1 shall be in a form prescribed by the county school superintendent, and
 2 each argument shall not exceed two hundred words. Arguments for the
 3 proposed increase in the budget shall be provided in writing and signed by
 4 the governing board. The ballot arguments for the proposed increase in
 5 the budget shall be signed as the governing board of the school district
 6 without listing any member's individual name for the arguments for the
 7 proposed increase. If submitted, additional arguments in favor of the
 8 proposed increase in the budget shall be provided in writing with a
 9 signed, sworn statement by those in favor. Arguments against the proposed
 10 increase in the budget shall be provided in writing with a signed, sworn
 11 statement by those in opposition. If the argument is submitted by an
 12 organization, it shall contain the sworn statement of two executive
 13 officers of the organization. If the argument is submitted by a political
 14 committee, it shall contain the sworn statement of the committee's
 15 chairperson or treasurer. If the argument is submitted by an individual
 16 and not on behalf of an organization, a political committee or any other
 17 group, the ~~person~~ INDIVIDUAL shall submit the argument with a sworn,
 18 notarized statement. The names of persons and entities submitting written
 19 arguments shall be included in the informational pamphlet. Persons
 20 signing the argument shall identify themselves by giving their residence
 21 address and telephone number, which may not appear in the informational
 22 pamphlet, except that the person's city or town and state of residence
 23 shall appear in the pamphlet. Any argument that is submitted and that
 24 does not comply with this paragraph may not be included in the pamphlet.
 25 The county school superintendent shall review all factual statements
 26 contained in the written arguments and correct any inaccurate statements
 27 of fact. The superintendent shall not review and correct any portion of
 28 the written arguments that are identified as statements of the author's
 29 opinion. The county school superintendent shall make the written
 30 arguments available to the public as provided in title 39, chapter 1,
 31 article 2. A deadline for submitting arguments to be included in the
 32 informational pamphlet shall be set by the county school superintendent.

33 10. A statement that the alternate budget shall be adopted by the
 34 governing board if the proposed budget is not adopted by the qualified
 35 electors of the school district.

36 11. The current limited property value and the net assessed
 37 valuation provided by the department of revenue, the first year tax rate
 38 for the proposed override and the estimated amount of the secondary
 39 property taxes if the proposed budget is adopted for each of the
 40 following:

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

1 (b) An owner-occupied residence whose assessed valuation is
2 one-half of the assessed valuation of the residence in subdivision (a) of
3 this paragraph.

4 (c) An owner-occupied residence whose assessed valuation is twice
5 the assessed valuation of the residence in subdivision (a) of this
6 paragraph.

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

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

13 (a) An executive summary of the school district's most recent
14 capital improvement plan submitted to the school facilities oversight
15 board.

16 (b) A complete list of each proposed capital improvement that will
17 be funded with the budget increase and a description of the proposed cost
18 of each improvement, including a separate aggregation of capital
19 improvements for administrative purposes as defined by the school
20 facilities oversight board.

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

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

35 D. If any amount of the proposed increase will be funded by a levy
36 of taxes in the district, the election prescribed in subsection A of this
37 section shall be held on the first Tuesday following the first Monday in
38 November as prescribed by section 16-204, subsection F. If the proposed
39 increase will be fully funded by revenues from other than a levy of taxes,
40 the elections prescribed in subsection A of this section shall be held on
41 any date prescribed by section 16-204. The elections shall be conducted
42 as nearly as practicable in the manner prescribed in article 1 of this
43 chapter, sections 15-422, through 15-423, 15-424 and section 15-426,
44 relating to special elections, except that:

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

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

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

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

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

35 1. The amount of the proposed increase of the proposed budget over
36 the alternate budget.

37 2. A statement that the **MAXIMUM** amount of the proposed increase
38 will be based on ~~a~~ **THE INITIAL PROPOSED** percentage of the school
39 district's revenue control limit in future years, if applicable, as
40 provided in subsection P of this section.

41 3. The following statement:

42 Any budget increase authorized by this election shall be
43 entirely funded by this school district with revenues from
44 other than a levy of taxes on the taxable property within the
45 school district for the year for which adopted and for _____

1 subsequent years and shall not be realized from monies
 2 furnished by the state.

3 G. Except as provided in subsection H of this section, the maximum
 4 budget increase that may be requested and authorized as provided in
 5 subsection E or F of this section or the combination of subsections E and
 6 F of this section is fifteen percent of the revenue control limit as
 7 provided in section 15-947, subsection A for the budget year. If a school
 8 district requests an override pursuant to section 15-482 or to continue
 9 with a budget override pursuant to section 15-482 for pupils in
 10 kindergarten programs and grades one through three that was authorized
 11 before December 31, 2008, the maximum budget increase that may be
 12 requested and authorized as provided in subsection E or F of this section
 13 or the combination of subsections E and F of this section is ten percent
 14 of the revenue control limit as provided in section 15-947, subsection A
 15 for the budget year.

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

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

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

28 (i)

29	Small School	Support Level Weight		Phase Down
30	Student	for Small Isolated		Reduction
31	<u>Count</u>	<u>School Districts</u>	<u>Base Level</u>	<u>Factor</u>
32	_____ - 125	x 1.358 + (0.0005 x	x \$ _____	= \$ _____
33		(500 - Student Count))		

34			Small Isolated	
35	Phase Down	Phase Down	School District	
36	<u>Base</u>	<u>Reduction Factor</u>	<u>Elementary Limit</u>	
37	\$150,000 -	\$ _____	=	\$ _____

38 (ii)

39	Small School	Support Level Weight		Phase Down
40	Student	for Small		Reduction
41	<u>Count</u>	<u>School Districts</u>	<u>Base Level</u>	<u>Factor</u>
42	_____ - 125	x 1.278 + (0.0003 x	x \$ _____	= \$ _____
43		(500 - Student Count))		

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

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

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

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

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

37 J. If the election is to exceed the revenue control limit as
38 provided in section 15-482 and if the proposed increase will be fully
39 funded by revenues other than a levy of taxes on the taxable property
40 within the school district, the ballot shall contain the words "budget
41 increase, yes" and "budget increase, no", and the voter shall signify the
42 voter's desired choice. The ballot shall also contain the amount of the
43 proposed increase of the proposed budget over the alternate budget, a
44 statement that the **MAXIMUM** amount of the proposed increase will be based
45 on ~~a~~ **THE INITIAL PROPOSED** percentage of the school district's revenue

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

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

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

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

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

1 net assessed valuation used for secondary property tax
2 purposes and is in addition to the school district's tax rate
3 that will be levied to fund the school district's district
4 additional assistance allowed by law.

5 M. If the election is to exceed district additional assistance and
6 if the proposed increase will be fully funded by revenues from other than
7 a levy of taxes on the taxable property within the school district, the
8 ballot shall contain the words "budget increase, yes" and "budget
9 increase, no", and the voter shall signify the voter's desired choice. An
10 election held pursuant to this subsection shall be held on the first
11 Tuesday after the first Monday of November. The ballot shall also contain
12 the amount of the proposed increase of the proposed budget over the
13 alternate budget 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 in which adopted and for _____
18 subsequent years and shall not be realized from monies
19 furnished by the state.

20 N. If the election is to exceed a combination of the revenue
21 control limit as provided in subsection E or F of this section, the
22 revenue control limit as provided in subsection I or J of this section or
23 district additional assistance as provided in subsection L or M of this
24 section, the ballot shall be prepared so that the voters may vote on each
25 proposed increase separately and shall contain statements required in the
26 same manner as if each proposed increase were submitted separately.

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

36 P. If the voters in a school district vote to adopt a budget in
37 excess of the revenue control limit as provided in subsection E or F of
38 this section, any additional increase shall be included in the aggregate
39 budget limit for each of the years authorized. Any additional increase
40 shall be excluded from the determination of equalization assistance. The
41 school district governing board, however, may levy on the net assessed
42 valuation used for secondary property tax purposes of the property in the
43 school district the additional increase if adopted under subsection E of
44 this section for the period of one year, two years or five through ~~seven~~
45 ~~TEN~~ years as authorized. If an additional increase is approved as

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

20 ~~1. Is for two years, the proposed increase in the second year is~~
 21 ~~equal to the initial proposed percentage increase.~~

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

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

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

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

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

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

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

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

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

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

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

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

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

25 _____ school district is proposing to increase its
26 budget by \$_____ to fund capital improvements over and
27 above those funded by the state. Under the students first
28 capital funding system, _____ school district is entitled
29 to state monies for new construction and renovation of school
30 buildings in accordance with state law.

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

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

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

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

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

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

27 Z. If a budget in excess of district additional assistance was
28 previously adopted by the voters in a school district and will be in
29 effect for the budget year or budget year and subsequent years, as
30 provided in subsection L or M of this section, the governing board may
31 request an additional budget in excess of district additional assistance.
32 If the voters in a school district authorize the additional budget in
33 excess of district additional assistance, the existing district additional
34 assistance budget increase remains in effect.

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

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

1 will be based on a percentage of the school district's revenue control
2 limit in future years, if applicable, as provided in subsection P of this
3 section and the following statement:

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

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

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