

House Engrossed

community college districts; county removal

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

HOUSE BILL 2501

AN ACT

AMENDING TITLE 15, CHAPTER 12, ARTICLE 1, ARIZONA REVISED STATUTES, BY
ADDING SECTION 15-1407.01; RELATING TO COMMUNITY COLLEGE DISTRICTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 15, chapter 12, article 1, Arizona Revised
3 Statutes, is amended by adding section 15-1407.01, to read:

4 15-1407.01. Removal of county from district; election;
5 assets; indebtedness

6 A. NOTWITHSTANDING SECTION 15-1407, IF A DISTRICT CONTAINS TWO OR
7 MORE COUNTIES, TEN PERCENT OF THE QUALIFIED ELECTORS IN ANY COUNTY WITHIN
8 THE DISTRICT MAY PETITION TO REMOVE THAT COUNTY FROM THE DISTRICT. EXCEPT
9 AS PROVIDED IN THIS SECTION, THE PROCEDURES FOR REMOVING A COUNTY FROM THE
10 DISTRICT ARE AS PRESCRIBED IN SECTION 15-1403 FOR THE FORMATION OF A
11 DISTRICT CONSISTING OF ONE COUNTY.

12 B. THE ELECTION SHALL BE HELD IN THE SAME MANNER AS PROVIDED IN
13 SECTION 15-1404 FOR THE FORMATION OF A DISTRICT CONSISTING OF ONE COUNTY,
14 EXCEPT THAT A MAJORITY OF THE QUALIFIED ELECTORS IN THE PETITIONING COUNTY
15 MUST APPROVE THE REMOVAL.

16 C. IF A COUNTY THAT IS REMOVED FROM A DISTRICT PURSUANT TO THIS
17 SECTION DOES NOT MEET THE REQUIREMENTS OF SECTION 15-1402 OR 15-1402.01,
18 THE COUNTY IS NO LONGER PART OF AN ESTABLISHED COMMUNITY COLLEGE DISTRICT.

19 D. ON REMOVAL OF A COUNTY FROM A DISTRICT PURSUANT TO THIS SECTION:

20 1. THE COMMUNITY COLLEGE DISTRICT BOARD SHALL PREPARE A PROJECTED
21 LIST OF ASSETS FOR THE DISTRICT BEFORE THE END OF THE FISCAL YEAR IN WHICH
22 THE ELECTION IS HELD. THE DISTRICT BOARD AND THE BOARD OF SUPERVISORS OF
23 THE REMOVED COUNTY SHALL PREPARE A FINAL STATEMENT OF ASSETS FOR THE
24 DISTRICT AS OF THE END OF THE FISCAL YEAR IN WHICH THE ELECTION IS HELD.
25 THE DISTRICT BOARD AND THE BOARD OF SUPERVISORS SHALL SET ASIDE SUFFICIENT
26 ASSETS OR PROVIDE OTHER MEANS TO SATISFY THE LIABILITIES OF THE DISTRICT
27 AND APPROVE THE FINAL DIVISION OF ALL ASSETS ON OR BEFORE SEPTEMBER 15 OF
28 THE YEAR IN WHICH THE REMOVAL BECOMES OPERATIVE.

29 2. ALL TAXABLE PROPERTY IN THE REMOVED COUNTY REMAINS SUBJECT TO
30 TAXES FOR THE PAYMENT OF ANY INDEBTEDNESS THAT WAS LAWFULLY INCURRED BY
31 THE DISTRICT WHILE THE COUNTY WAS WITHIN THE DISTRICT AND THAT REMAINS
32 UNPAID AFTER THE FINAL DIVISION OF ASSETS PURSUANT TO PARAGRAPH 1 OF THIS
33 SUBSECTION. THE REMOVED COUNTY SHALL CONTINUE TO LEVY TAXES SUFFICIENT TO
34 PRODUCE REVENUE NECESSARY TO PAY INDEBTEDNESS UNDER THIS PARAGRAPH,
35 INCLUDING:

36 (a) PROPERTY TAX TO PAY THE PRINCIPAL OF OR ANY INTEREST ON
37 OUTSTANDING GENERAL OBLIGATION BONDS.

38 (b) PROPERTY TAX TO PAY ANY OTHER OBLIGATIONS IN AN AMOUNT EQUAL TO
39 THE COUNTY'S PROPORTIONATE SHARE. FOR THE PURPOSES OF THIS SUBDIVISION,
40 THE REMOVED COUNTY'S PROPORTIONATE SHARE SHALL BE DETERMINED IN THE RATIO
41 THAT THE NET ASSESSED VALUATION OF THE REMOVED COUNTY BEARS TO THE TOTAL
42 NET ASSESSED VALUATION OF THE DISTRICT IN THE TAX YEAR IMMEDIATELY
43 PRECEDING THE COUNTY'S REMOVAL.

1 3. IF THE REMOVED COUNTY DEPOSITS WITH A TRUSTEE OR ESCROW AGENT AN
2 AMOUNT OF MONIES SUFFICIENT, TOGETHER WITH INVESTMENT INCOME, TO MAKE ALL
3 PAYMENTS DUE UNDER PARAGRAPH 2 OF THIS SUBSECTION, A PROPERTY TAX LEVY IS
4 NOT REQUIRED. THE REMOVED COUNTY MAY SELL ASSETS THAT ARE TRANSFERRED TO
5 THE COUNTY FROM THE DISTRICT FOR THIS PURPOSE.